

EXHIBIT B

MPH Draft #7
05/24/07

LOAN AGREEMENT

Dated as of May 1, 2007

between

AUSTIN HOUSING FINANCE CORPORATION,
as Issuer

and

SAN ANTONIO ALTERNATIVE HOUSING CORPORATION NO.15,
as Borrower

Relating to

\$9,150,000
Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Meadowood Apartments Project),
Series 2007A

and

\$458,000
Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Meadowood Apartments Project),
Taxable Series 2007B

The interest of the Issuer in this Loan Agreement (except for certain rights described herein) has been pledged and assigned to American National Bank, as trustee (the "Trustee"), under the Trust Indenture dated as of May 1, 2007, by and between the Issuer and the Trustee

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LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of May 1, 2007 (as amended, modified, restated or supplemented, this "Agreement" or "Loan Agreement") is entered into between **AUSTIN HOUSING FINANCE CORPORATION**, a housing finance corporation duly organized and validly existing under the laws of the State of Texas (together with its successors and assigns, the "Issuer"), and **SAN ANTONIO ALTERNATIVE HOUSING CORPORATION NO. 15**, a nonprofit corporation duly organized and validly existing under the laws of the State of Texas (together with its permitted successors and assigns, the "Borrower")

WITNESSETH

WHEREAS, the Issuer has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, as amended, Texas Local Government Code, Chapter 394 (the "Act"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices or rentals they can afford, and

WHEREAS, the Act authorizes the Issuer (i) to make loans to any person to provide financing for rental residential developments located within the City of Austin, Texas, and intended to be occupied substantially (at least 90% percent) by persons of low and moderate income, as determined by the Issuer, (ii) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds and (iii) to pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of and interest on such bonds, and

WHEREAS, by proceedings adopted pursuant to and in accordance with the provisions of the Act, the Issuer has authorized the issuance of (i) its Multifamily Housing Revenue Bonds (Meadowood Apartments Project), Series 2007A in the original aggregate principal amount of \$9,150,000 (the "Series A Bonds") and (ii) its Multifamily Housing Revenue Bonds (Meadowood Apartments Project), Taxable Series 2007B in the original aggregate principal amount of \$458,000 (the "Series B Bonds," and together with the Series A Bonds, the "Bonds") to finance a portion of the costs of the acquisition, rehabilitation and equipping of a 200-unit multifamily residential rental project known as Meadowood Apartments and located in Austin, Texas (the "Project"), and

WHEREAS, pursuant to this Loan Agreement, the Issuer will agree to issue the Bonds and lend the proceeds thereof to the Borrower (the "Loan") and the Borrower will agree to (i) apply the proceeds of the Loan to finance a portion of the costs of acquisition, rehabilitation and equipping of the Project, (ii) make payments sufficient to pay the principal of, premium, if any, and interest on the Bonds when due (whether at maturity, by redemption, acceleration or

otherwise) and (iii) observe the other covenants and agreements and make the other payments set forth therein, and

WHEREAS, the Borrower will deliver to the Issuer (i) its promissory note dated May 31, 2007 in an original principal amount equal to the original aggregate principal amount of the Series A Bonds (as the same may be amended, supplemented, restated or modified from time to time, the "Series A Note") and (ii) its promissory note dated May 31, 2007 in an original principal amount equal to the original aggregate principal amount of the Series B Bonds (as the same may be amended, supplemented, restated or modified from time to time, the "Series B Note") (collectively, the "Notes") evidencing its obligation to repay the Loan and the Issuer has made the Loan to the Borrower, subject to the terms and conditions of this Loan Agreement and the Indenture (as defined herein), and

WHEREAS, the obligations of the Borrower under this Loan Agreement and the Notes will be secured by, among other things, a First Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of May 31, 2007 (as the same may be modified, amended, restated or supplemented from time to time, the "Mortgage") from the Borrower granting a first lien on the Project to the trustee named therein, as trustee for the benefit of the Issuer, and by the other Loan Documents, and

WHEREAS, the Issuer intends to assign to the Trustee, as security for the Bonds, the Notes and the Mortgage and substantially all of the Issuer's rights under this Loan Agreement and all other documents executed and delivered in connection with the Loan

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows

ARTICLE I

DEFINITIONS; PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions For all purposes of this Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Trust Indenture dated as of May 1, 2007 (as the same may be amended, modified, restated or supplemented from time to time, the "Indenture"), by and between the Issuer and American National Bank, as trustee (the "Trustee")

(b) The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision. The terms "agree" and "agreements" contained herein are intended to include and mean "covenant" and "covenants"

(c) All references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (ii) in the singular or plural

number shall be deemed to have been made, respectively, in the plural or singular number as well. Singular terms shall include the plural as well as the singular, and vice versa.

(d) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with the Approved Accounting Method. All references herein to "Approved Accounting Method" refer to such method as it exists at the date of the application thereof.

(e) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(f) All references in this Loan Agreement to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(g) Whenever the term "includes" or "including" is used in this Loan Agreement, such terms mean "includes or including by way of example and not limitation."

(h) References to the Bonds as "tax exempt" or the tax exempt status of the Bonds are to the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Section 1.02. Effect of Headings and Table of Contents. The Article and Section headings are for convenience only and shall not affect the construction hereof.

Section 1.03. Date of Loan Agreement. The date of this Loan Agreement is intended as and for a date for the convenient identification of this Loan Agreement and is not intended to indicate that this Loan Agreement was executed and delivered on said date.

Section 1.04. Designation of Time for Performance. Except as otherwise expressly provided herein, any reference in this Loan Agreement to the time of day means the time of day in the city where the Trustee maintains its place of business for the performance of its obligations under the Indenture.

ARTICLE II

GENERAL

Section 2.01. Issuance of Bonds. In order to provide funds for the purposes provided herein, the Issuer agrees that, in accordance with the Act, it will issue and sell the Bonds and cause the Bonds to be delivered to the purchasers thereof. The proceeds of the sale of the Bonds shall be paid to the Trustee for the account of the Issuer. The Trustee shall promptly deposit the proceeds of the sale of the Bonds as provided in the Indenture. The Issuer and the Borrower expressly reserve the right to enter into, to the extent permitted by law, an agreement or agreements other than this Loan Agreement with respect to the issuance by the Issuer under an

indenture or indentures other than the Indenture of obligations to provide funds to refund all or any principal amount of the Bonds

Section 2.02. Assignment to Trustee As security for the Bonds, the Issuer has pledged and assigned the Trust Estate to the Trustee under and pursuant to the Indenture. The Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or any further act, except in the case of the Notes, which shall be delivered to the Trustee. The Borrower hereby acknowledges and consents to such assignment to the Trustee.

Section 2.03. Loan of Bond Proceeds; Notes Upon the issuance of the Bonds and deposit under the Indenture of the proceeds from the sale of the Bonds in accordance with the Indenture, the Issuer shall be deemed to have made the Loan to the Borrower in the original principal amount of the Bonds. The Loan will mature and be payable at the times and in the amounts required under the terms of the Notes. The proceeds of the Loan shall be used by the Borrower to pay costs of the acquisition, rehabilitation and equipping of the Project and for certain other purposes specified in the Indenture. The Borrower hereby accepts the Loan and acknowledges that the Issuer shall cause the proceeds of the Bonds to be deposited with the Trustee in the manner set forth in Section 5.02 of the Indenture and applied as set forth in the Indenture. The Borrower hereby agrees to execute the Notes, as evidence of its obligation to repay the Loan, and to deliver the Notes simultaneously with the delivery of this Loan Agreement to the Issuer. The Notes shall bear interest on the unpaid principal balance thereof at the applicable Note Rate, calculated on the basis of a 360-day year comprised of twelve 30-day months. The Issuer shall assign the Notes to the Trustee for the benefit of the Bondholders.

Section 2.04. Disbursements Moneys in the Project Fund shall be disbursed as provided in Section 6.07 of the Indenture. Moneys in the Costs of Issuance Fund shall be disbursed by the Trustee in accordance with the instructions received from the Borrower pursuant to Section 6.06 of the Indenture.

Section 2.05. Loan Payments

(a) The Borrower shall make Loan Payments in accordance with the Series A Note. Each Loan Payment made by the Borrower shall be made in funds immediately available to the Trustee by 10:00 a.m., Central time on the first day of each calendar month, commencing July 1, 2007 (the "Loan Payment Date"). Each such payment shall be made by deposit to the Bond Fund. Whenever any Loan Payment shall be stated to be due on a day that is not a Business Day, such payment shall be due on the first Business Day immediately thereafter. All payments made by the Borrower hereunder or by the Borrower under the other Bond Documents, shall be made irrespective of, and without any deduction for, any set-offs or counterclaims, but such payment shall not constitute a waiver of any such set-offs or counterclaims.

(b) The Borrower and the Issuer each acknowledge that, except as provided by the express terms of the Bond Documents, neither the Borrower nor the Issuer has any interest in any moneys deposited in the funds or accounts established under the Indenture and such funds or accounts shall be in the custody of and (except for moneys due the

Issuer on deposit in the Rebate Fund) held by the Trustee in trust for the benefit of the Bondholders

(c) The Borrower shall be liable for payment of Loan Payments, and, if such payments are made, the Borrower shall not be liable for payment of the Bonds

Section 2.06. Additional Payments

(a) The Borrower shall pay to the Trustee on demand the following amounts

(i) the Rebate Amount then due, if any, to be deposited by the Trustee in the Rebate Fund as specified in Section 6.08 of the Indenture and the costs incurred to calculate such Rebate Amount (to the extent such costs are not included in the Loan Payment),

(ii) all Costs of Issuance and fees, charges and expenses, including agent and counsel fees, reasonably incurred in connection with the issuance of the Bonds, as and when the same become due, to the extent not paid from the Costs of Issuance Fund, and

(iii) all late charges due and payable under the terms of the Notes and Section 2.08

(b) The Borrower shall pay to the party entitled thereto as expressly set forth in this Loan Agreement or the other Bond Documents

(i) all Third Party Fees,

(ii) all reasonable expenses incurred in connection with the enforcement of any rights under this Loan Agreement, the Regulatory Agreement or the Indenture by the Issuer, the Bondholder Representative, the Trustee or the Bondholders, except as may be expressly limited by the terms of the Indenture,

(iii) all reasonable fees, charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the Trustee and the Issuer (above and beyond the Trustee's Fee and the Issuer's Fee) incurred under the Indenture, as and when the same become due,

(iv) all other payments of whatever nature that the Borrower has agreed to pay or assume under the provisions of this Loan Agreement, the Indenture and any other Bond Document, and

(v) all reasonable charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the Issuer reasonably incurred by the Issuer at any time in connection with the Bonds or the Project, including, without limitation, counsel fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of the Bond Documents or any other documents relating to the Project or the Bonds or in connection with

questions or other matters arising under such documents or in connection with any federal or state tax audit

Section 2.07. [RESERVED]

Section 2.08. Overdue Payments; Payments if Default If any Borrower Payment Obligation is not paid by or on behalf of the Borrower when due (including any grace periods), the Borrower shall pay to the Trustee, a Late Charge in the amount and to the extent set forth in the Notes, if any. Any such Late Charge shall not be deemed to be additional interest or a penalty, but shall be deemed to be liquidated damages because of the difficulty in computing the actual amount of damages in advance. Late Charges shall be secured by the applicable Bond Documents. Any action regarding the collection of a Late Charge will be without prejudice to any other rights, and shall not act as a waiver of any other rights, that the Issuer, the Trustee or the Bondholder Representative may have as provided herein, at law or in equity.

Section 2.09. Obligations of the Borrower Absolute and Unconditional

(a) Subject to Section 10.01, the obligations of the Borrower under this Loan Agreement and the Notes to make Loan Payments and Additional Payments on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder shall be absolute and unconditional, and shall be paid or performed without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Borrower's title to the Project or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Borrower's use thereof, the eviction or constructive eviction of the Borrower, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Issuer's legal organization or status, or any default of the Issuer or the Trustee hereunder or under any other Bond Document, and regardless of the invalidity of any action of the Issuer or the invalidity of any portion of this Loan Agreement. The Borrower hereby waives, to the extent permitted by applicable law, the application to it of the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Loan Agreement or which releases or purports to release the Borrower therefrom. Nothing contained herein shall be construed as prohibiting the Borrower from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

(b) The Borrower may, however, at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving third persons that the Borrower deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Issuer hereby agrees to cooperate fully with the Borrower and to take all

action necessary to effect the substitution of the Borrower for the Issuer in any such action or proceeding if the Borrower shall so request

Section 2.10. Optional Prepayment of Notes

(a) The Borrower shall have the option to prepay the Series A Note on and after March 1, 2022 in the manner set forth in the Series A Note, exercisable by Written Notice to the Issuer and the Trustee, and with the Written Consent of the Bondholder Representative given at least 20 days prior to the proposed prepayment date, for the purpose of redeeming all Outstanding Bonds in accordance with Section 4.01 of the Indenture on a permitted redemption date of the Series A Bonds or paying the Series A Bonds at maturity. The consent of the Bondholder Representative shall be given so long as the Borrower has complied with the applicable provisions of the Series A Note and has provided evidence satisfactory to the Bondholder Representative in its sole discretion that the amounts used to prepay the Notes will not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code in the event the Borrower or an Affiliate thereof were to become a debtor under the United States Bankruptcy Code.

(b) In connection with any such proposed prepayment of the Series A Note, the Borrower shall deposit Eligible Funds with the Trustee by 10:00 a.m., Austin, Texas time, not less than one Business Day prior to the date of prepayment at a prepayment price equal to the outstanding principal balance of the Series A Note, plus interest on the Series A Note to the date of prepayment and the amount of any Prepayment Premium payable under the Series A Note, plus any Additional Payments due and payable hereunder through the date of prepayment. Such amounts shall be applied to the redemption of all the Series A Bonds and payment of all amounts due hereunder. The Borrower shall deliver such certifications and shall satisfy such conditions as set forth in Section 4.01 of the Indenture with respect to the optional redemption of all Outstanding Bonds.

(c) The Series B Note shall not be subject to optional prepayment by the Borrower.

Section 2.11. Mandatory Prepayment of Notes The Borrower shall prepay the outstanding principal balance of the Notes at the Written Direction of the Bondholder Representative, in whole or in part, at a prepayment price equal to the outstanding principal balance of the Notes prepaid, plus interest on the Notes to the date of prepayment and the amount of any Prepayment Premium payable under the Notes, plus any other amounts payable under the Notes or this Loan Agreement, for the purpose of redeeming the Bonds as provided in Section 4.03 of the Indenture, upon the occurrence of any event or condition described below:

(a) in whole, if the Project has been damaged or destroyed to the extent that it is not practicable or feasible to rebuild, repair or restore the damaged or destroyed property within the period and under the conditions described in the Mortgage following such event of damage or destruction, or

(b) in whole, if title to, or the use of, all or a substantial portion of the Project has been taken under the exercise of the power of eminent domain by any governmental authority with the result that the Borrower is thereby prevented from carrying on its normal operation of the Project within the period and under the conditions described in the Mortgage,

(c) in whole or in part, to the extent that insurance proceeds or proceeds of any condemnation award with respect to the Project are not applied to restoration of the Project in accordance with the provisions of the Mortgage, or

(d) in whole, on any Business Day on or after June 1, 2022, if the Bondholder Representative provides not less than 180 days' prior written notice to the Trustee and the Borrower that the Owners of all of the Bonds have elected to require the mandatory redemption of the Bonds

Such prepayment shall be due and payable by no later than 10 00 a m , Central time, at least one Business Day before the date fixed by the Trustee for redemption of the Bonds pursuant to Section 4 03 of the Indenture, which date shall be communicated by the Trustee in writing to the Issuer, the Bondholders and the Borrower in accordance with the Indenture To the extent that the Borrower or the Trustee receive any insurance proceeds or condemnation awards that are to be applied to the prepayment of the Notes, such amounts shall be applied to the prepayment of the Notes and the corresponding redemption of the Bonds

Section 2.12. Calculation of Interest Payments and Deposits to Real Estate Related Reserve Funds The Issuer and the Borrower acknowledge as follows (a) calculation of all interest payments shall be made by the Trustee in accordance with the Notes, (b) deposits with respect to the Taxes and Other Charges shall be calculated by the Trustee in accordance with the Mortgage, and (c) deposits with respect to any replacement reserve funds shall be calculated by the Trustee in accordance with the Bond Documents In the event and to the extent that the Trustee, pursuant to the terms hereof, shall determine at any time that there exists a deficiency in amounts previously owed but not paid with respect to deposits to such replacement reserve fund, such deficiency shall be immediately due and payable hereunder

Section 2.13. Grant of Security Interest; Application of Funds To the extent not inconsistent with the Mortgage and as security for payment of the Borrower Payment Obligations and the performance by the Borrower of all other terms, conditions and provisions of the Bond Documents, the Borrower hereby pledges and assigns to the Trustee, as assignee of the Issuer, and grants to the Trustee a security interest in, all the Borrower's right, title and interest in and to all Rents and all payments to or moneys held in the funds and accounts created and held by the Trustee for the Project The Borrower also grants to the Trustee a continuing security interest in, and agrees to hold for the benefit of the Trustee, all Rents in its possession prior to the payment of Rents or any portion thereof to the Trustee (to the extent that the Borrower is required to pay such Rents to the Trustee) The Borrower shall not, without obtaining the prior Written Consent of the Trustee, further pledge, assign or grant any security interest in the Rents, or permit any Lien to attach thereto, or any levy to be made thereon, or any UCC financing statements, except Permitted Encumbrances, and those naming the Trustee as the secured party, to be filed with respect thereto and with respect to any subordinate debt agreed to by the Trustee

(as directed by the Bondholder Representative) and the Bondholder Representative This Loan Agreement is, among other things, intended by the parties to be a security agreement for purposes of the UCC Upon the occurrence and during the continuance of a Loan Agreement Default hereunder, the Trustee shall apply or cause to be applied any sums held by the Trustee with respect to the Project in accordance with Section 9.04 of the Indenture

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.01. Borrower Representations The Borrower represents and warrants for the benefit of the Issuer, the Trustee and the Bondholder Representative, as of the date of execution hereof, as follows

(a) **Organization; Special Purpose** The Borrower has been duly organized and is validly existing and in good standing under the laws of the State of Texas with requisite power and authority, and all material rights, licenses, permits and authorizations, governmental or otherwise, necessary to own its properties and to transact business in the State The Borrower is duly qualified to do business and is in good standing in the State and each other jurisdiction where the failure to be so qualified would have a material adverse effect upon the Borrower The sole business of the Borrower is the ownership, management and operation of the Project

(b) **Proceedings; Enforceability** The Borrower has taken all necessary action to authorize the execution, delivery and performance of the Bond Documents to which it is a party This Loan Agreement has been, and each of the other Bond Documents to which the Borrower will be a party will be, duly executed and delivered by the Borrower and constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and general principles of equity

(c) **No Conflicts** The execution, delivery and performance of the Bond Documents to which the Borrower is a party will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any Lien (other than pursuant to the Bond Documents) upon the Project or the Borrower pursuant to the terms of, any agreement or instrument to which the Borrower is a party or by which its property is subject, nor will such action result in any violation of the provisions of any statute or any order, rule or regulation of any Governmental Authority having jurisdiction over the Borrower or any of its properties The Borrower's rights under the Licenses and the Management Agreement will not be adversely affected by the execution and delivery of the Bond Documents to which the Borrower is a party, the Borrower's performance thereunder, the recordation of the Mortgage, or the exercise of any remedies by the Trustee and the Bondholder Representative Other than any filing or recording necessary to perfect any Lien created by any of the Bond Documents, any consent, approval, authorization, order, registration or qualification of or with any Governmental Authority required for the execution,

delivery and performance by the Borrower of the Bond Documents to which the Borrower is a party has been obtained and is in full force and effect

(d) **Litigation.** There are no actions, suits or other proceedings at law or in equity by or before any Governmental Authority now pending or, to the best knowledge of the Borrower, threatened against or affecting the Borrower or the Project, which would materially adversely affect the condition (financial or otherwise) or business of the Borrower or the condition or ownership of the Project

(e) **Agreements** Except as contemplated by the Bond Documents, the Borrower is not a party to any agreement or instrument or subject to any restriction that would materially adversely affect the Borrower or the Project, or the Borrower's business, properties, operations or condition, financial or otherwise. The Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Project is bound

(f) **Title** The Borrower has good title to the Project, free and clear of all Liens except the Permitted Encumbrances. The Mortgage, when properly executed, acknowledged and recorded in the appropriate records, together with any UCC financing statements required to be filed in connection therewith, will create (i) a valid, perfected first priority lien on the fee interest in the Project, and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty included in the Project (including the Leases), all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances. The Permitted Encumbrances do not adversely affect the Borrower's ability to repay the Loan. There are no delinquent real property taxes or assessments, including water and sewer charges, with respect to the Project or claims for payment for work, labor or materials affecting the Project that are or may become a Lien prior to, or of equal priority with, the Liens created by the Bond Documents

(g) **Survey** To the best knowledge of the Borrower, the survey for the Project delivered to the Bondholder Representative does not fail to reflect any material matter affecting the Project or the title thereto

(h) **No Bankruptcy Filing** The Borrower is not contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency law or the liquidation of all or a major portion of its property, and the Borrower has no knowledge of any Person contemplating the filing of any such petition against it. The Borrower has the ability to pay its debts as they become due

(i) **Full and Accurate Disclosure** No statement of fact made by the Borrower in any Bond Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein not misleading. There is no material fact or circumstance presently known to the Borrower that has not been disclosed to the Bondholder Representative that materially and adversely affects or, as far as the Borrower can foresee, would materially and adversely

affect, the Project or the business, operations or condition (financial or otherwise) of the Borrower

(j) **No Plan Assets** The Borrower is not an “employee benefit plan,” as defined in Section 3(3) of ERISA, subject to Title I of ERISA, and none of the assets of the Borrower constitutes or will constitute “plan assets” of one or more such plans within the meaning of 29 C F R Section 2510 3-101

(k) **Compliance** The Project and the use thereof will comply, to the extent required, in all material respects with all applicable Legal Requirements. The Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority, the violation of which would materially adversely affect the condition (financial or otherwise) or business of the Borrower. There has not been committed by the Borrower or Affiliate involved with the operation or use of the Project any act or omission affording any Governmental Authority the right of forfeiture as against the Project or any part thereof or any moneys paid in performance of the Borrower’s obligations under any Bond Document or Loan Document

(l) **Contracts** All service, maintenance or repair contracts to which the Borrower is a party and affecting the Project have been entered into at arm’s length (except for any contract between the Borrower and an Affiliate and expressly disclosed to the Bondholder Representative) in the ordinary course of the Borrower’s business and provide for the payment of fees in amounts and upon terms comparable to existing market rates

(m) **Financial Information** All financial data, including any statements of cash flow and income and operating expense, that have been delivered to the Bondholder Representative in respect of the Project by or on behalf of the Borrower, to the best knowledge of the Borrower, (i) are true, complete and correct in all material respects, (ii) accurately represent the financial condition of the Project as of the date of such reports, and (iii) to the extent prepared by an independent certified public accounting firm, have been prepared in accordance with the Approved Accounting Method consistently applied throughout the periods covered, except as disclosed therein. Other than pursuant to or permitted by the Bond Documents or the Loan Documents, the Borrower has no contingent liabilities, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments. Since the date of such financial statements, there has been no materially adverse change in the financial condition, operations or business of the Borrower from that set forth in said financial statements

(n) **Condemnation** No Condemnation or other proceeding has been commenced or, to the Borrower’s knowledge, is contemplated, threatened or pending with respect to all or part of the Project or for the relocation of roadways providing access to the Project

(o) **Federal Reserve Regulations** No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any “margin stock” within the meaning

of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation U or any other regulation of such Board of Governors, or for any purpose prohibited by Legal Requirements or any Bond Document

(p) ***Utilities and Public Access*** To the best of the Borrower's knowledge, the Project is served by water, sewer, sanitary sewer and storm drain facilities adequate to service it for its intended uses. All public utilities necessary or convenient to the full use and enjoyment of the Project are or will be located in the public right-of-way abutting the Project, and all such utilities are or will be connected so as to serve the Project without passing over other property absent a valid easement. All roads necessary for the use of the Project for its current purpose have been or will be completed and dedicated to public use and accepted by all Governmental Authorities. The Project does not share ingress and egress through an easement or private road or share on-site or off-site recreational facilities and amenities that are not located on the Project and under the exclusive control of the Borrower, or where there is shared ingress and egress or amenities, there exists an easement or joint use and maintenance agreement under which (i) access to and use and enjoyment of the easement or private road and/or recreational facilities and amenities is perpetual, (ii) the number of parties sharing such easement and/or recreational facilities and amenities must be specified, (iii) the Borrower's responsibilities and share of expenses are specified, and (iv) the failure to pay any maintenance fee with result to an easement will not result in a loss of usage of the easement

(q) ***Not a Foreign Person*** The Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Code

(r) ***Separate Lots*** Each parcel comprising the Project is a separate tax lot and is not a portion of any other tax lot that is not a part of the Project

(s) ***Assessments*** There are no pending or, to the Borrower's best knowledge, proposed special or other assessments for public improvements or otherwise affecting the Project, or any contemplated improvements to the Project that may result in such special or other assessments

(t) ***Enforceability*** The Bond Documents are not subject to, and the Borrower has not asserted, any right of rescission, set-off, counterclaim or defense, including the defense of usury

(u) ***Insurance*** The Borrower has obtained the insurance required by Section 6.01 hereof and has delivered to the Bondholder Representative certificates of insurance reflecting the insurance coverages, amounts and other requirements set forth in this Loan Agreement and the Mortgage

(v) ***Use of Property; Licenses*** The Project will be used exclusively as a multifamily residential rental project and other appurtenant and related uses, which use is consistent with the zoning classification for the Project. All certifications, permits, licenses and to the Borrower's best knowledge, approvals, including certificates of

completion and occupancy permits required for the legal use, occupancy and operation of the Project (collectively, the "Licenses") required at this time for the rehabilitation and equipping of the Project have been obtained. To the Borrower's knowledge, all Licenses obtained by the Borrower have been validly issued and are in full force and effect. Except as provided by law, no Licenses will terminate, or become void or voidable or terminable, upon any sale, transfer or other disposition of the Project, including any transfer pursuant to foreclosure sale under the Mortgage or deed in lieu of foreclosure thereunder. The Project does not violate any density or building setback requirements of the applicable zoning law. No proceedings are, to the best of the Borrower's knowledge, pending or threatened that would result in a change of the zoning of the Project.

(w) **Flood Zone** Either all Improvements have been constructed above the flood grade or the Borrower has obtained appropriate flood insurance as directed by the Bondholder Representative.

(x) **Physical Condition** The Project, including all Improvements, parking facilities, systems, fixtures, equipment and landscaping, are or, after completion of the construction and repairs, will be in good and habitable condition in all respects and in good order and repair in all material respects (reasonable wear and tear excepted). The Borrower has not received notice from any insurance company or bonding company of any defect or inadequacy in the Project, or any part thereof, which would adversely affect its insurability or cause the imposition of extraordinary premiums or charges thereon or any termination of any policy of insurance or bond. The physical configuration of the Project is not in violation of the Americans with Disabilities Act, if required under applicable law.

(y) **Encroachments** All of the Improvements included in determining the appraised value of the Project will lie wholly within the boundaries and building restriction lines of the Project, and to the best of Borrower's knowledge, no improvement on an adjoining property encroaches upon the Project, and no easement or other encumbrance upon the Project encroaches upon any of the Improvements, so as to affect the value or marketability of the Project, except those insured against by the Title Insurance Policy.

(z) **Filing and Recording Taxes** All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Legal Requirements in connection with the transfer of the Project to the Borrower have been paid. All mortgage, mortgage recording, stamp, intangible or other similar taxes required to be paid by any Person under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Bond Documents have been or will be paid.

(aa) **Investment Company Act** The Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended, or (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding

company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended

(bb) ***Fraudulent Transfer*** The Borrower has not accepted the Loan or entered into any Bond Document with the actual intent to hinder, delay or defraud any creditor, and the Borrower has received reasonably equivalent value in exchange for its obligations under the Bond Documents. Giving effect to the transactions contemplated by the Bond Documents, the fair saleable value of the Borrower’s assets exceeds and will, immediately following the execution and delivery of the Bond Documents, exceed the Borrower’s total liabilities, including subordinated, unliquidated, disputed or contingent liabilities. The fair saleable value of the Borrower’s assets is and will, immediately following the execution and delivery of the Bond Documents, be greater than the Borrower’s probable liabilities, including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. The Borrower’s assets do not and, immediately following the execution and delivery of the Bond Documents will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. The Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of the Borrower).

(cc) ***Ownership of the Borrower*** The Borrower has no obligation to any Person to purchase, repurchase or issue any ownership interest in it.

(dd) ***Environmental Matters*** Upon completion of rehabilitation, except as disclosed in any written environmental report provided to the Issuer, Trustee or Bondholder, the Project will not be in violation of any Legal Requirement pertaining to or imposing liability or standards of conduct concerning environmental regulation, contamination or clean-up, and will comply with covenants and requirements relating to environmental hazards as set forth in the Mortgage.

(ee) ***Name; Principal Place of Business*** The Borrower does not use and will not use any trade name, and has not done and will not do business under any name other than its actual name set forth herein. The principal place of business of the Borrower is its primary address for notices as set forth in Section 9.01, and the Borrower has no other place of business, other than the Project and such principal place of business.

(ff) ***Subordinated Debt*** There is no secured or unsecured indebtedness with respect to the Project or any residual interest therein, other than Permitted Encumbrances and the permitted secured indebtedness described in Section 5.08.

(gg) ***Filing of Taxes*** The Borrower has filed (or has obtained effective extensions for filing) all federal, state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments, if any, payable by the Borrower.

(hh) **General Tax** All representations, warranties and certifications of the Borrower set forth in the Regulatory Agreement and the Borrower's Tax Certificate are incorporated by reference herein and the Borrower will comply with such as if set forth herein

(ii) **Approval of the Indenture** By its execution and delivery of this Loan Agreement, the Borrower approves the form and substance of the Indenture and the execution thereof by the Issuer and the Trustee, and agrees to carry out the responsibilities and duties specified in the Indenture to be carried out by the Borrower. The Borrower acknowledges that (i) it understands the nature and structure of the transactions relating to the financing of the Project, (ii) it is familiar with the provisions of all of the Bond Documents and other documents and instruments relating to the financing, (iii) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (iv) it has not relied on the Issuer, the Trustee or the Bondholder Representative for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Bond Documents or otherwise relied on the Issuer, the Trustee or the Bondholder Representative in any manner

(jj) **American with Disabilities Act** To the Borrower's knowledge, the Project, as designed, will conform in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, including, but not limited to, the Americans with Disabilities Act of 1990, to the extent required (as evidenced by an architect's certificate to such effect)

(kk) **Requirements of Act and Code** To the Borrower's knowledge, the Project satisfies all requirements of the Act and the Code with respect to multifamily rental housing

(ll) **Regulatory Agreement** The Project is, as of the date of issuance of the Bonds, in compliance with all requirements of the Regulatory Agreement to the extent such requirements are applicable, and the Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, including all applicable requirements of the Act and the Code, and pursuant to leases which comply with all applicable laws

(mm) **Intention to Hold Project** The Borrower intends to hold the Project for its own account and has no current plans, and has not entered into any agreement, to sell the Project or any part of it. The Borrower intends to occupy the Project or cause the Project to be occupied and to operate it or cause it to be operated at all times during the term of this Loan Agreement in compliance with the terms of the Regulatory Agreement and does not know of any reason why the Project will not be so used by it in the absence of circumstances not now anticipated by it or totally beyond its control

(nn) *Certain Federal Tax Matters.*

(i) The Borrower is an organization exempt from federal income taxation as provided in section 501(a) of the Code by virtue of being an organization described in section 501(c)(3) of the Code,

(ii) The Borrower has not diverted a substantial part of its corpus or income for a purpose or purposes other than the purpose or purposes (A) for which it is organized or operated or (B) disclosed to the Internal Revenue Service in connection with the determination that the Borrower is an organization described in section 501(c)(3) of the Code (the "Determination"),

(iii) The Borrower has not operated during its five most recent fiscal years or the current fiscal year, as of the date hereof, in a manner that would result in it being classified as an "action" organization within the meaning of section 1 501(c)(3)-(1)(c)(3) of the Regulations including, but not limited to, promoting or attempting to influence legislation by propaganda or otherwise as a substantial part of its activities,

(iv) With the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive and is for personal services which are reasonable and necessary to carrying out the purposes of the Borrower, no individual who would be a "foundation manager" within the meaning of section 4946(b) of the Code with respect to the Borrower, nor any Person controlled by any such individual or individuals or any of their Affiliates, nor any Person having a personal or private interest in the activities of the Borrower has acquired or received, directly or indirectly, any income or assets, regardless of form, of the Borrower during the current fiscal year and the five fiscal years preceding the current fiscal year, other than as reported to the Internal Revenue Service by the Borrower,

(v) The Borrower is not a "private foundation" within the meaning of section 509(a) of the Code,

(vi) The Borrower has not received any indication or notice whatsoever to the effect that its exemption under section 501(c)(3) of the Code has been revoked or modified, or that the Internal Revenue Service is considering revoking or modifying such exemption, and such exemption is still in full force and effect,

(vii) The Borrower has timely filed with the Internal Revenue Service all requests for determination, reports and returns required to be filed by it and such requests for determination, reports and returns have not omitted or misstated any material fact and has timely notified the Internal Revenue Service of any changes in its organization and operation since the date of the application for the Determination,

(viii) The Borrower has not devoted more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of section 501(c)(3) of the Code,

(ix) The Borrower has not taken any action, nor does it know of any action that any other Person has taken, nor does it know of the existence of any condition which would cause the Borrower to lose its exemption from taxation under section 501(a) of the Code or cause interest on the Series A Bonds to be includable in the income of the recipients thereof for federal income tax purposes,

(x) Taking into account the respective Issue Prices of the respective stated maturity of the Series A Bonds, the average term of the Series A Bonds does not exceed 120% of the average reasonably expected economic life of the Project to be financed or refinanced by the Series A Bonds, weighted in proportion to the respective cost of each item comprising the property the cost of which has been or will be financed, directly or indirectly, with the Net Proceeds of the Series A Bonds. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (A) the Closing Date for the Bonds or (B) the date on which such property is placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of property, except that, in the event 25% or more of the collective Net Proceeds of the Series A Bonds, directly or indirectly, have been expended for land, such land shall be treated as having an economic life of 30 years and shall be taken into account for purposes of determining the reasonably expected economic life of such property,

(xi) The Borrower has supplied or caused to be supplied to Bond Counsel all documents, instruments and written information requested by Bond Counsel, and all such documents, instruments and written information supplied by or on behalf of the Borrower at the request of Bond Counsel, which have been reasonably relied upon by Bond Counsel in rendering their opinion with respect to the exclusion from gross income of the interest on the Series A Bonds for federal income tax purposes or counsel to the Borrower in rendering their opinion with respect to the status of the Borrower under section 501(c)(3) of the Code, are true and correct in all material respects, do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to be stated therein to make the information provided therein, in light of the circumstances under which such information was provided, not misleading, and the Borrower is not aware of any other material information for which Bond Counsel has not asked

Section 3.02. Issuer Representations The Issuer makes the following representations as the basis for the undertakings on its part herein contained

(a) The Issuer is a housing finance corporation duly organized and existing under the laws of the State. The Issuer has authorized the execution and delivery of this Loan Agreement and the Indenture

(b) The Issuer has determined that the Loan will further the purposes of the Act and will serve the public purposes of the Act referenced in the Resolution

(c) The Issuer has full power and authority to consummate all transactions contemplated by this Loan Agreement, the Bonds and the Indenture and any and all other agreements relating thereto

Section 3.03. Survival of Representations and Covenants All of the representations and warranties in Sections 3 01 and 3 02 and elsewhere in the Bond Documents (i) shall survive for so long as any portion of the Borrower Payment Obligations remains due and owing and (ii) shall be deemed to have been relied upon by the Bondholder Representative and the Bondholders, provided, however, that the representations, warranties and covenants set forth in Sections 3 01(dd) and 4 10 shall survive in perpetuity and shall not be subject to the exculpation provisions of Section 10 01

ARTICLE IV

AFFIRMATIVE COVENANTS

During the term of this Loan Agreement, the Borrower hereby covenants and agrees with the Bondholders, the Trustee, the Bondholder Representative and the Issuer that

Section 4.01. Existence The Borrower shall (i) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence and its material rights, and franchises, (ii) continue to engage in the business presently conducted by it, (iii) obtain and maintain all material Licenses, and (iv) qualify to do business and remain in good standing under the laws of each jurisdiction, in each case where the failure to be so qualified would have a material adverse effect upon the Borrower

Section 4.02. Taxes and Other Charges The Borrower shall pay all Taxes and Other Charges as the same become due and payable in accordance with the Mortgage, and except to the extent that the amount, validity or application thereof is being contested in good faith as permitted by the Mortgage

Section 4.03. Repairs; Maintenance and Compliance; Physical Condition The Borrower shall cause the Project to be maintained in a good, habitable and safe (so as to not threaten the health or safety of the Project's tenants or their invited guests) condition and repair (reasonable wear and tear excepted) as set forth in the Mortgage and shall not remove, demolish or materially alter the Improvements (except for removal of aging, non-functioning or obsolete equipment or furnishings in the normal course of business), except as provided in the Mortgage After completion of repairs, except as previously disclosed or in any inspection conducted by Bondholder Representative and no structural or other material defect or damages to the Project will exist

Section 4.04. Litigation To the best of Borrower's knowledge, the Borrower shall give prompt Written Notice to the Issuer, the Trustee and the Bondholder Representative, of any litigation, governmental proceedings or claims or investigations regarding an alleged actual violation of a Legal Requirement pending or, to the Borrower's knowledge, threatened against

the Borrower which might materially adversely affect the Borrower's condition (financial or otherwise) or business or the Project

Section 4.05. Performance of Other Agreements The Borrower shall observe and perform in all material respects each and every term to be observed or performed by it pursuant to the terms of any agreement or instrument affecting or pertaining to the Project. Additionally, by incorporation by reference, the Borrower shall comply with the Issuer's Multifamily Rules, as amended, so long as Borrower is notified of and provided with such amendments and modifications

Section 4.06. Notices The Borrower shall promptly advise the Issuer, the Trustee and the Bondholder Representative of (i) any material adverse change in the Borrower's condition, financial or otherwise, other than general changes in the real estate market, (ii) any fact or circumstance affecting the Borrower or the Project that materially and adversely affects the Borrower's ability to meet its obligations hereunder or under any of the other Bond Documents to which it is a party in a timely manner, or (iii) the occurrence of any Default or Loan Agreement Default of which the Borrower has knowledge. The Borrower shall cause to be delivered to the Trustee and the Bondholder Representative any Securities and Exchange Commission or other public filings, if any, of the Borrower within two Business Days of such filing

Section 4.07. Cooperate in Legal Proceedings The Borrower shall cooperate fully with the Trustee and the Bondholder Representative, with respect to, and permit the Trustee and the Bondholder Representative, at their option, to participate in, any proceedings before any Governmental Authority that may in any way affect the rights of Bondholders under any Bond Document

Section 4.08. Further Assurances The Borrower shall, at the Borrower's sole cost and expense (except as provided in Section 8.01), (i) furnish to the Bondholder Representative all instruments, documents, boundary surveys, footing or foundation surveys, certificates, plans and specifications, appraisals, title and other insurance reports and agreements, reasonably requested by the Bondholder Representative, (ii) execute and deliver to the Bondholder Representative, such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the Bonds, as the Bondholder Representative may reasonably request from time to time, (iii) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of the Bond Documents, as the Bondholder Representative shall reasonably request from time to time, and (iv) upon the request therefor by the Bondholder Representative, given from time to time after the occurrence of any Default or Loan Agreement Default for so long as such Default or Loan Agreement Default, as applicable, is continuing, pay for (a) reports of UCC, federal tax lien, state tax lien, judgment and pending litigation searches with respect to the Borrower and (b) searches of title to the Project, each such search to be conducted by search firms reasonably designated by the Bondholder Representative in each of the locations reasonably designated by the Bondholder Representative

Section 4.09. Delivery of Financial Information The Borrower shall furnish or cause to be furnished the following financial information, at the Borrower's cost

(a) [INTENTIONALLY DELETED]

(b) the Borrower shall furnish a quarterly income and expense statement for the Borrower for the periods January 1 through March 31, April 1 through June 30, July 1 through September 30 and October 1 through December 31, within 60 days of the end of each such operating period each year during the term of the Loan,

(c) the Borrower shall furnish to the Bondholder Representative, not less frequently than quarterly, an operating report and a current rent roll for the Project within 60 days after the end of the applicable quarter, in such detail as the Bondholder Representative may reasonably require,

(d) the Borrower shall furnish to the Bondholder Representative annual financial statements (containing a balance sheet, statement of income and expenses, and a cash flow statement, internally prepared in accordance with generally accepted accounting principles and audited by a certified public accountant selected by the Borrower and reasonably satisfactory to the Bondholder Representative) not later than 60 days following the end of the Borrower's fiscal years (commencing with fiscal year 2007) Such financial statements shall reflect total rental income separately from other income and total expenses in detail reasonably satisfactory to the Bondholder Representative, and

(e) the Borrower shall furnish to the Bondholder Representative not later than 60 days following the end of each calendar year, (i) a Certification to Project Rent Roll in form acceptable to the Bondholder Representative which clearly identifies those units occupied by qualifying low-income tenants and the actual rent being collected for those restricted units (ii) a statement that the Project is in ongoing compliance with all income, occupancy and rent restrictions as required under the terms of the applicable restrictive covenants and/or Regulatory Agreement (attached to this statement must be a copy of the annual recertification of the Project's compliance from the Issuer In the event that the annual recertification is not available from the Issuer, a detailed explanation as to why must be attached in its place)

In addition to the foregoing, the Borrower shall furnish to the Bondholder Representative such additional interim financial information as the Bondholder Representative may, from time to time, reasonably require The covenants contained herein shall remain in effect throughout the term of the Loan

After notice to the Borrower of a Secondary Market Transaction, the Borrower shall, concurrently with any delivery to the Trustee or the Bondholder Representative, deliver copies of all financial information required under the Mortgage or any additional information as may be reasonably requested by the Bondholder Representative to the Rating Agencies, the Bondholder Representative, any trustee or any other party reasonably requested by the Bondholder

Representative The Bondholder Representative will pay all costs of expenses related to such Secondary Market transaction

Section 4.10. Environmental Matters So long as the Borrower owns or is in possession of the Project, the Borrower shall (i) keep the Project in compliance with all Hazardous Materials Laws, (ii) promptly notify the Trustee, the Issuer and the Bondholder Representative if the Borrower shall become aware that any Hazardous Materials (as defined in the Mortgage) are on or near the Project in violation of Hazardous Materials Laws, and (iii) commence and thereafter diligently prosecute to completion all remedial work necessary with respect to the Project required to be performed by the Borrower under any Hazardous Material Laws, in each case as set forth in the Mortgage

Section 4.11. Title to the Project The Borrower will warrant and defend the title to the Project, and the validity and priority of the Lien of the Mortgage, subject only to Permitted Encumbrances, against the claims of all Persons

Section 4.12. Estoppel Statement The Borrower shall furnish to the Bondholder Representative for the benefit of the Issuer, the Trustee and the Bondholder within ten days after request by the Bondholder Representative, a statement, duly acknowledged and certified, setting forth (i) the unpaid principal of the Notes, (ii) the Note Rate, (iii) the date installments of interest and/or principal were last paid, (iv) any offsets or defenses to the payment of the Borrower Payment Obligations, and (v) that the Bond Documents to which the Borrower is a party are valid, legal and binding obligations of the Borrower and have not been modified or, if modified, giving particulars of such modification, and whether any Event of Default exists thereunder The Borrower shall furnish to the Bondholder Representative within 30 days of a request by the Bondholder Representative, tenant estoppel certificates from any commercial tenant at the Project in form and substance reasonably satisfactory to the Bondholder Representative, provided that the Bondholder Representative shall not make such requests more frequently than twice in any year

Section 4.13. Expenses The Borrower shall pay all reasonable expenses incurred by the Issuer, the Trustee and the Bondholder Representative (except as provided in Section 8 01) in connection with the Bonds, including reasonable fees and expenses of the Issuer's, the Trustee's and the Bondholder Representative's attorneys, environmental, engineering and other consultants, and fees, charges or taxes for the recording or filing of Bond Documents The Borrower shall pay or cause to be paid all reasonable expenses of the Issuer, the Rebate Analyst, the Trustee and the Bondholder Representative (except as provided in Section 8 01) in connection with the issuance or administration of the Bonds, including audit costs, inspection fees, settlement of condemnation and casualty awards, and premiums for title insurance and endorsements thereto The Borrower shall, upon request, promptly reimburse the Issuer, the Trustee and the Bondholder Representative for all reasonable amounts expended, advanced or incurred by the Issuer, the Trustee and the Bondholder Representative to collect the Notes, or to enforce the rights of the Issuer, the Trustee, and the Bondholder Representative under this Loan Agreement or any other Loan Document, or to defend or assert the rights and claims of the Issuer, the Trustee and the Bondholder Representative under the Bond Documents arising out of a Loan Agreement Default or with respect to the Project (by litigation or other proceedings) arising out of a Loan Agreement Default, which amounts will include all court costs, attorneys'

fees and expenses, fees of auditors and accountants, and investigation expenses as may be reasonably incurred by the Issuer, the Trustee and the Bondholder Representative in connection with any such matters (whether or not litigation is instituted), together with interest at the Default Rate on each such amount from the date of disbursement until the date of reimbursement to the Issuer, the Trustee and the Bondholder Representative, all of which shall constitute part of the Loan and shall be secured by the Bond Documents. The obligations and liabilities of the Borrower under this Section 4.13 shall survive the Term of this Loan Agreement and the exercise by the Issuer, the Bondholder Representative or the Trustee, as the case may be, of any of its rights or remedies under the Bond Documents, including the acquisition of the Project by foreclosure or a conveyance in lieu of foreclosure.

Section 4.14. Indemnity

(a) To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Issuer, the City of Austin, Texas, the Trustee, the Servicer and the Bondholder Representative and each of their respective officers, governing members, directors, officials, employees, attorneys and agents (each, an "Indemnified Party"), against any and all losses, damages, claims, actions, liabilities, reasonable costs and expenses of any nature, kind or character (including, without limitation, reasonable attorneys' fees and expenses, litigation and court costs, amounts paid in settlement (to the extent that the Borrower has consented to such settlement) and amounts paid to discharge judgments) (hereinafter, the "Liabilities") to which the Indemnified Parties, or any of them, may become subject under federal or state securities laws or any other statutory law or at common law or otherwise, to the extent arising out of or based upon or in any way relating to:

(i) any breach by the Borrower of its obligations under, or any misrepresentation by the Borrower contained in, any of the Bond Documents, except as provided in Section 8.01,

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation, rehabilitation or construction of, the Project or any part thereof,

(iii) any lien (other than a Permitted Encumbrance) or charge upon payments by the Borrower to the Issuer and the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer or the Trustee in respect of any portion of the Project,

(iv) any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project or any part

thereof prior to the date the Borrower acquired the Project and during the period that the Borrower owns the Project or is in possession thereof,

(v) the enforcement of, or any action taken by the Issuer, the Trustee or the Bondholder Representative related to remedies under, this Loan Agreement, the Indenture and the other Bond Documents relating to a default by the Borrower,

(vi) the defeasance and/or redemption, in whole or in part, of the Bonds,

(vii) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact by the Borrower contained in any offering statement or document for the Bonds or any of the Bond Documents to which the Borrower is a party, or any omission or alleged omission from any offering statement or document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein by the Borrower, in the light of the circumstances under which they were made, not misleading, and

(viii) in the case of indemnification to the Issuer and the City of Austin, Texas and its respective officers, directors, members, officials, employees, attorney and agents only, the Bonds, the Notes, the Bond Documents or the Project, provided, however, nothing in this clause (viii) or any other clause of this Section 4.14 shall require the Borrower to indemnify the Issuer for the payment of principal of, premium, if any, or interest on the Bonds

(b) In the case of the foregoing indemnification of the Bondholder Representative and the Trustee or any related Indemnified Party, the Borrower will have no indemnification obligation under (a) above to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party or any breach by such party of its obligations under any of the Bond Documents. In the case of the foregoing indemnification of the Bondholder Representative or any related Indemnified Party, the Borrower will have no indemnification obligations under (a) above to the extent such damages are caused by any untrue statement or misleading statement of a material fact by such Indemnified Party contained in any offering statement or any omission or alleged omission from any such offering statement of any material fact necessary to be stated therein in order to make the statements made therein by such Indemnified Party not misleading. In the case of the foregoing indemnification of the Issuer or any related Indemnified Party, they shall be indemnified by the Borrower with respect to Liabilities arising from their own negligence or breach of contractual duty, but not for any Liabilities arising from the Issuer's own bad faith, fraud or willful misconduct. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party (which notice shall be timely given so as not to materially impair the Borrower's right to defend), shall assume the investigation and defense thereof, including the employment of counsel reasonably approved by the Indemnified Party, and shall

assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion, provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement, which approval shall not be unreasonably withheld or delayed. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof, provided however the Issuer has the absolute right to employ separate counsel at the expense of the Borrower. The Borrower shall pay the reasonable fees and expenses of such separate counsel, provided, however, that such Indemnified Party other than the Issuer may only employ separate counsel at the expense of the Borrower if and only if in such Indemnified Party's good faith judgment (based on the written advice of counsel) a conflict of interest exists by reason of common representation except that the Borrower shall always pay the reasonable fees and expenses of the Issuer's counsel.

(c) Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Loan Agreement or the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless the Issuer, the Trustee and the Bondholder Representative have consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

(d) The provisions of this Section shall survive the termination of this Loan Agreement and the Regulatory Agreement.

Section 4.15. No Warranty of Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Borrower's purposes or needs.

Section 4.16. Right of Access to the Project. The Borrower agrees that the Issuer, the Trustee, the Bondholder Representative and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but no obligation at all reasonable times during normal business hours and upon reasonable notice, to enter onto the Land (i) to examine, test and inspect the Project without material interference or prejudice to the Borrower's operations or any tenant's occupancy, and (ii) to perform such work in and about the Project made necessary by reason of the Borrower's default under any of the provisions of this Loan Agreement. The Issuer, the Trustee, the Bondholder Representative and their duly authorized agents, attorneys, accountants and representatives shall also be permitted, without any obligation to do so, at all reasonable times and upon reasonable notice during normal business hours, to examine the books and records of the Borrower with respect to the Project.

Section 4.17. Tax Covenants. The Borrower covenants to refrain from any action which would adversely affect, and to take such action as may be necessary to assure, the treatment of the Series A Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the Holders thereof for purposes of federal income taxation. In particular, but not by way of limitation thereof, the Borrower covenants as follows:

(a) Maintenance of Exempt Status The Borrower will (i) conduct its operations in a manner that will result in its continued qualification as an organization described in section 501(c)(3) of the Code as described in this Loan Agreement and (ii) timely file or cause to be filed all materials, returns, reports and other documents which are required to be filed with the Internal Revenue Service

(b) Diversion of Funds for Unrelated Purposes The Borrower will not divert a substantial part of its corpus or income for a purpose or purposes other than the purpose or purposes for which it is organized and operated as described in this Loan Agreement

(c) Ownership of Project The Borrower shall (or shall cause one or more other political subdivisions or agencies of a state, instrumentalities thereof or organizations described in section 501(c)(3) of the Code, which are exempt from federal income taxes under section 501(a) of the Code ("Exempt Persons") to) own all portions of the Project at all times prior to the final maturity of the Series A Bonds

(d) Limit on Costs of Issuance The proceeds of the Series A Bonds will be expended for the purposes set forth in this Loan Agreement and in the Indenture and no portion thereof in excess of 2% of the proceeds of the Series A Bonds, within the meaning of section 147(g) of the Code, will be expended to pay Costs of Issuance

(e) Limit on Private Business Use The Borrower shall not use (or permit the use of) any proceeds of the Series A Bonds, or any income from the investment thereof or any property financed or refinanced with such proceeds or income in any trade or business carried on by any Person which is not an Exempt Person or in any unrelated trade or business, as defined in section 513(a) of the Code, of an Exempt Person or permit the direct or indirect loan of any such proceeds, income, or property to any Person other than an Exempt Person or to any Person which is an Exempt Person for use in an unrelated trade or business, as defined in section 513(a) of the Code, if the amount of such proceeds, income, or property so used or loaned or portions thereof so used in the aggregate, when added to the Costs of Issuance financed, directly or indirectly, with Series A Bond proceeds, exceeds 5% of the Net Proceeds of the Series A Bonds For purposes of this subsection, property is considered to be "used" by a Person if

(i) it is sold or otherwise disposed of, or leased, to such Person,

(ii) it is operated, managed, or otherwise physically employed, utilized, or consumed by such Person, excluding operation or management pursuant to an agreement which meets the guidelines set forth in Revenue Procedure 97-13, including any amendments or revisions thereto,

(iii) capacity in or output or service from such property is reserved or committed to such Person under a take-or-pay, output, incentive payment, or similar contract or arrangement,

(iv) such property is used to provide service to (or such service is committed to or reserved for) such Person on a basis or terms which are different from the basis or terms on which such service is provided (or committed or reserved) to members of the public generally, or

(v) substantial benefits and burdens of ownership of such property are otherwise effectively transferred to such Person, but the investment of amounts held for the credit of any fund or account established under the Indenture relating to the Series A Bonds in accordance with the applicable provisions thereof shall not constitute “use” of property or a “loan” of proceeds. For purposes of this subsection, proceeds are considered to be “loaned” to a Person if

(vi) property financed or refinanced with proceeds of the Series A Bonds or any income from the investment thereof is sold or leased to such Person in a transaction which creates a debt for federal income tax purposes,

(vii) capacity in or service from such property is committed to such Person under a take-or-pay, output, or similar contract or arrangement, or

(viii) indirect benefits, or burdens and benefits of ownership, of such property are otherwise transferred to such Person in a transaction which is the economic equivalent of a loan, and the amount of any such “loan” is the cost of such property financed or refinanced with proceeds or investment income of the Series A Bonds

(f) RESERVED

(g) Prohibited Facilities The Borrower shall not use or permit the use of any proceeds of the Series A Bonds or any income from the investment thereof to provide any airplane, skybox, or other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises

(h) Prohibited Act With Respect to Gross Proceeds The Borrower shall not take any action or omit to take any action with respect to the Gross Proceeds of the Series A Bonds or of any amounts expected to be used to pay the principal thereof or the interest thereon which, if taken or omitted, respectively, would cause any Series A Bond to be classified as an “arbitrage bond” within the meaning of section 148 of the Code

(i) Encumbrances Except as provided in the Indenture, the Mortgage and this Loan Agreement, the Borrower shall not pledge or otherwise encumber, or permit the pledge or encumbrance of, any money, investment, or investment property as security for payment of any amounts due under this Loan Agreement relating to the Series A Bonds, shall not establish any segregated reserve or similar fund for such purpose and shall not prepay any such amounts in advance of the redemption date of an equal principal amount of Series A Bonds, unless in each case in the opinion of Bond Counsel such action will not adversely affect the excludability of interest on any Series A Bond from the gross

income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes

(j) Investment of Gross Proceeds The Borrower shall not, at any time prior to the final maturity of the Series A Bonds, direct or permit the Trustee to invest Gross Proceeds in any Permitted Investment (or to use Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Permitted Investments acquired with Gross Proceeds (or with money replaced thereby) on or prior to the date of such investment exceeds the Yield of the Series A Bonds to stated maturity, except as permitted by section 148 of the Code and Regulations thereunder or as provided in the "Borrower Tax Certificate," which is based on certain representations and certifications of the Borrower with respect to the Series A Bonds

(k) Maintaining of Tax-Exempt Status of the Series A Bonds Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the Borrower shall not take or omit to take any action which would cause the Series A Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder

(l) Prohibited Investments of Gross Proceeds The Borrower shall not direct or instruct the Trustee to invest Gross Proceeds of the Series A Bonds in any manner which is inconsistent with the Indenture

(m) Covenant Regarding Tax-Exempt Status of the Series A Bonds

(i) The Issuer and the Borrower covenant to restrict the use and investment of Gross Proceeds in such manner and to such manner and to such extent, as may be necessary, so that the Series A Bonds will not constitute arbitrage bonds under section 148 of the Code. Any authorized representative of the Issuer and the Borrower having responsibility with respect to the issuance of the Bonds is authorized and directed, alone or in conjunction with any other official, employee or consultant of the Issuer and the Borrower to give an appropriate certificate on behalf of the Issuer and the Borrower, for inclusion in the transcript of proceedings for the Series A Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to section 148 of the Code and, to the extent applicable, section 147(b) of the Code

(ii) The Borrower shall immediately remit to the Trustee for deposit in the Rebate Fund any deficiency with respect to the Rebate Amount as required by the Indenture

(iii) The Issuer and the Borrower agree to provide to the Trustee, at such time as required by the Trustee, all information required by the Trustee with respect to Nonpurpose Investments (as defined in section 148-1(b) of the Regulations) not held in any fund under the Indenture

In furtherance of such intention, the Issuer hereby authorizes and directs the general manager to the Issuer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds

(n) Allocation of, and Limitation on Expenditures for the Project The Issuer and the Borrower covenant to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described the Indenture (each such purpose referred to therein and hereof as a "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer and the Borrower shall not expend sale proceeds or investment earnings thereon more than 60 days after the later of (1) the fifth anniversary of the delivery of the Series A Bonds, or (2) the date the Series A Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Series A Bonds. For purposes hereof, the Issuer and the Borrower shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest

(o) Disposition of Project The Issuer and the Borrower covenant that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer and the Borrower of cash or other compensation, unless the Issuer and the Borrower obtain an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Series A Bonds

(p) Qualified Residential Rental Project The Borrower hereby covenants and agrees that the Project will be operated as a "qualified residential rental project" within the meaning of sections 142(d) and 145(d) of the Code, on a continuous basis during the longer of the Qualified Project Period or the period during which any Series A Bond remains outstanding, to the end that the interest on the Series A Bonds shall be excluded from gross income for federal income tax purposes. In particular, the Borrower covenants and agrees, for the longer of the Qualified Project Period or the period during which any Series A Bonds remain outstanding, as follows

(i) that the Project qualifies as residential rental property and will be owned, managed and operated at all times during the term specified above as a qualified residential rental project comprised of residential dwelling units and facilities functionally related and subordinate thereto, in accordance with sections 142(d) and 145(d) of the Code,

(ii) that the Project consists of one building or structure or several proximate and interrelated buildings or structures, each of which is a discrete edifice or other man-made construction consisting of an independent foundation, outer walls and a roof, and all of which (A) are located on a single tract of land or

two or more parcels of land that are contiguous (i.e., their boundaries meet at one or more points) except for the interposition of a road, street, stream or similar property, (B) are owned by the same person for federal tax purposes, and (C) were financed pursuant to a common plan,

(iii) that substantially all of the Project consists of similarly constructed dwelling units together with functionally related and subordinate facilities for use by Project tenants, such as swimming pools, other recreational facilities, parking areas, heating and cooling equipment, trash disposal equipment, units for resident managers or maintenance personnel and other facilities that are reasonably required for the Project,

(iv) that each dwelling unit in the Project contains complete facilities for living, sleeping, eating, cooking and sanitation, e.g., a living area, a sleeping area, bathing and sanitation facilities, and cooking facilities equipped with a cooking range, refrigerator and sink, all of which are separate and distinct from other units,

(v) that each dwelling unit in the Project has been and will be rented or available for rental on a continuous basis to members of the general public at all times during the term specified above (unless occupied by or reserved for a resident manager or maintenance personnel) and that the Borrower will not give preference in renting Project dwelling units to any particular class or group of persons, other than Low Income Tenants and other eligible tenants as provided herein,

(vi) that at no time during the term specified above will any dwelling unit in any building or structure in the Project which contains fewer than five units be occupied by the Borrower,

(vii) that the land and the facilities are functionally related and subordinated to the dwelling units comprising the Project and are of size and character which is commensurate with the size and number of such dwelling units

(q) Qualified Project Period The Borrower and the Issuer hereby elect to apply the requirements of section 142(d)(1)(B) of the Code to the Project. The Borrower hereby represents, covenants and agrees, continuously during the Qualified Project Period, as follows

(i) at least 20% of the units (the "Set Aside") within the Project (and any other building which is comprised of similarly constructed units, is owned by the Borrower for federal income tax purposes, is located on the same or contiguous tract which is not separated from the Project except by a road, street, stream, or similar property, and is financed by the Series A Bonds) which are available for occupancy shall be occupied for a term of not less than 32

consecutive days by or, if vacant, last occupied for a period of not less than 32 consecutive days by one or more individuals which, at the time of their initial occupancies of such units, were a Low Income Tenant at Affordable Rents, and

(ii) the Borrower will maintain complete and accurate records pertaining to Low Income Tenants and file all documents as required by section 142(d) of the Code and the Regulatory Agreement

Although the parties hereto recognize that the provisions of this Agreement terminate upon the payment in full of the Series A Bonds, the parties hereto recognize that the requirements stated in this section shall continue in effect until the termination of the Qualified Project Period or until no Series A Bonds remain outstanding, whichever occurs later, and the requirements in this Section 4.17 shall continue in effect until the termination of the Qualified Project Period. Notwithstanding the foregoing, the requirements hereof shall terminate in the event of an involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or an action of a federal agency which prevents the Issuer from enforcing the requirement, or condemnation or similar event, but only if (i) within a reasonable period, either the Series A Bonds are retired in full or the amounts received as a consequence of such event are used to provide a qualified residential rental project that meets the requirements of sections 142(d) and 145(d) of the Code, as the same may be amended from time to time, and (ii) in the case of foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any "related person" within the meaning of section 147(a)(2) of the Code, obtains an ownership interest in the Project for tax purposes at any time during that part of the Qualified Project Period subsequent to such event.

(r) Borrower Notice to Trustee The Borrower further covenants and agrees to prepare and submit to the Trustee and the Issuer, within 60 days prior to the last day of the Qualified Project Period a certificate setting forth the date on which the Qualified Project Period will end, which certificate shall be in recordable form.

(s) Reliance on Borrower Certifications Anything in this Loan Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer and the Trustee may rely conclusively on the truth and accuracy of any certificate, opinion, notice, representation or instrument made or provided by the Borrower in order to establish the existence of any fact or statement of affairs solely within the knowledge of the Borrower, and which is required to be noticed, represented or certified by the Borrower hereunder or in connection with any filings, representations or certifications required to be made by the Borrower in connection with the issuance and delivery of the Series A Bonds.

Section 4.18. Covenants under Indenture The Borrower will fully and faithfully perform all the duties and obligations which the Issuer has covenanted and agreed in the Indenture to cause the Borrower to perform and any duties and obligations which the Borrower is required in the Indenture to perform. The foregoing will not apply to any duty or undertaking of the Issuer, which by its nature cannot be delegated or assigned.

Section 4.19. Notice of Default The Borrower will advise the Issuer, the Trustee and the Bondholder Representative promptly by Written Notice of the occurrence of any Default or Loan Agreement Default of which it has knowledge, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto

Section 4.20. Covenant with Bondholders The Issuer and the Borrower agree that this Loan Agreement is executed and delivered in part to induce the purchase by others of the Bonds and, accordingly, all covenants and agreements of the Issuer and the Borrower contained in this Loan Agreement are hereby declared to be for the benefit of the Trustee, the Bondholder Representative, and the Holders of the Bonds from time to time Notwithstanding the foregoing, the Bondholder's rights to enforce this provision of this Loan Agreement are governed by the terms of the Indenture

Section 4.21. Covenant to Provide Ongoing Disclosure In the event that the Bonds become subject to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the Borrower shall enter into a written undertaking for the benefit of the Holders to provide for the continuing disclosure of information about the Bonds, the Borrower and other matters as may be required to cause compliance with the Rule Failure of the Borrower to comply with the Rule shall not be a default under the Indenture, this Loan Agreement or any of the other Bond Documents, provided, however, the Borrower acknowledges that the Issuer, the Trustee or any Bondholder shall be entitled to bring an action for specific performance to cause the Borrower to comply with the covenant set forth in this Section

Section 4.22. Obligation of the Borrower to Complete the Project The Borrower shall proceed with reasonable dispatch to rehabilitate the Project If amounts on deposit in the Project Fund designated for the Project and available to be disbursed to the Borrower are not sufficient to pay the costs of the rehabilitation of the Project, the Borrower shall pay such additional costs from its own funds The Borrower shall not be entitled to any reimbursement from the Issuer, the Trustee, the Bondholder Representative or any Bondholder in respect of any such costs or to any diminution or abatement in the repayment of the Loan The Issuer shall not be liable to the Borrower, the Bondholders or any other person if for any reason the Project is not completed or if the proceeds of the Loan are insufficient to pay all costs of the Project The Issuer does not make any representation or warranty, either express or implied, that moneys, if any, which will be paid into the Project Fund or otherwise made available to the Borrower will be sufficient to complete the Project, and the Issuer shall not be liable to the Borrower, the Bondholders or any other person if for any reason the Project is not completed

Section 4.23. Surplus Cash Usage. (a) The Borrower covenants that it shall use Surplus Cash solely for Special Projects and shall cause to be included in its annual audited financial statement or such other document supplied by an independent certified public accountant an itemized statement of the date the Surplus Cash was used, the Special Project for which the Surplus Cash was used, and, in the case of tangible property, the location of such property (the "Surplus Cash Statement") The Borrower shall not be in default of the covenants set forth in this section if Surplus Cash continues to be identified as an asset in the audited financial statement, provided however that the Borrower covenants that it will expend all Surplus Cash on Special Projects within three (3) years of the discharge of all Bonds in accordance with the terms of the Indenture Furthermore, in the event that the Borrower has expended more than

Surplus Cash on Special Projects with revenues of the Project, then there shall be an equitable adjustment in succeeding year to offset the excess use of Project revenues on Special Projects

(b) In the event Surplus Cash Statement shows that Surplus Cash was used for purposes other than Special Projects, the Borrower shall increase the amount of Surplus Cash for the next succeeding fiscal year by decreasing the agreed upon return on Gross Revenues by the amount of Surplus Cash that was used for purposes other than Special Projects. In the event that the Surplus Cash Statement for such next succeeding fiscal year shows that Surplus Cash was used for purposes other than Special Projects, the Borrower shall in the next succeeding fiscal year make a payment to the Issuer out of Surplus Cash for such fiscal year in the amount of the non-Special Project uses reported in the immediately preceding Surplus Cash Statements

(c) The Issuer, the Borrower, and the Trustee agree that (i) failure by the Borrower to abide by the covenants in this section shall not constitute an Event of Default, but that the Issuer may seek a mandamus action in a court of competent jurisdiction and (ii) money held in the Trust Estate or otherwise used to pay principal and interest on the Bonds, to fund reserves herein or pay Operating Expenses shall not be used for any payment relating to this section

ARTICLE V

NEGATIVE COVENANTS

Until the end of the Term, without the prior written consent of the Bondholder Representative, the Borrower covenants and agrees that it will not, directly or indirectly

Section 5.01. Management Agreement Bondholder Representative has consented to the Management Agreement, and the Borrower shall not, without the Bondholder Representative's prior consent (which consent shall not be unreasonably withheld, delayed or conditioned), and further subject to the Regulatory Agreement, (i) surrender, terminate or cancel the Management Agreement or otherwise replace the Manager or enter into any other management agreement, (ii) waive or release in any material respect any of its rights and remedies under the Management Agreement, (iii) increase or consent to the increase of the amount of any charges under the Management Agreement, (iv) otherwise modify, change, supplement, alter or amend in any material respect, or waive or release in any material respect any of its rights and remedies under, the Management Agreement, or (v) suffer or permit the occurrence and continuance of a default beyond any applicable cure period under the Management Agreement (or any successor management agreement) if such default permits the Manager to terminate the Management Agreement (or such successor management agreement). In the event Borrower requests consent of Bondholder Representative to any of the aforementioned modifications, Bondholder Representative shall be required to approve or disapprove such action within thirty (30) days after receipt of notice from Borrower or Bondholder Representatives consent may be deemed approved by Borrower

Section 5.02. Liens Without the Bondholder Representative's prior Written Consent, create, incur, assume, permit or suffer to exist any mechanic's, materialmen's or other Lien on any portion of the Project, except Permitted Encumbrances, unless such Lien is bonded or

discharged within 30 days after the Borrower first receives notice of such Lien or unless the Borrower is contesting such Lien in accordance with the Mortgage

Section 5.03. Dissolution Dissolve or liquidate, in whole or in part, merge with or consolidate into another Person

Section 5.04. Change in Business or Operation of Property Enter into any line of business other than the ownership and operation of the Project, or make any material change in the scope or nature of its business objectives, purposes or operations, or undertake or participate in activities other than the continuance of its present business and activities incidental or related thereto or otherwise cease to operate the Project as a multifamily residential rental project or terminate such business for any reason whatsoever (other than temporary cessation in connection with construction of the Project)

Section 5.05. Debt Cancellation Cancel or otherwise forgive or release any claim or debt owed to the Borrower by a Person, except for adequate consideration or in the ordinary course of the Borrower's business in its reasonable judgment

Section 5.06. Assets Purchase or own any real property or personal property incidental thereto other than the Project

Section 5.07. Transfers Make, suffer or permit the occurrence of any Transfer other than a transfer permitted under the Mortgage, nor transfer any material License required for the operation of the Project

Section 5.08. Debt Create, incur or assume any indebtedness for borrowed money, whether unsecured or secured by all or any portion of the Project (including subordinate debt), or any partnership interest in the Borrower other than the Borrower Payment Obligations and secured indebtedness incurred pursuant to or permitted by the Bond Documents

Section 5.09. Assignment of Rights Without the Bondholder Representative's prior Written Consent, attempt to (i) assign the Borrower's rights or interest under any Bond Document in contravention of any Bond Document, or (ii) surrender the Borrower's fee interest in the Land

Section 5.10. Principal Place of Business Change its principal place of business without providing 30 days' prior Written Notice of the change to the Trustee and the Bondholder Representative

Section 5.11. Borrower's Organizational Documents Except to effect transfers to which the Bondholder Representative has consented or which are permitted pursuant to the Mortgage, the Borrower shall not, without the Bondholder Representative's prior Written Consent (which consent shall not be unreasonably withheld), surrender, terminate or cancel, modify, change, supplement, alter or amend in any material respect, or waive or release in any material respect any of its rights and remedies under, its articles of incorporation or by laws

Section 5.12. ERISA Maintain, sponsor, contribute to or become obligated to contribute to, or suffer or permit any ERISA Affiliate of the Borrower to, maintain, sponsor,

contribute to or become obligated to contribute to, any Plan, or permit the assets of the Borrower to become "plan assets," whether by operation of law or under regulations promulgated under ERISA

ARTICLE VI

INSURANCE; CASUALTY; AND CONDEMNATION

Section 6.01. Insurance The Borrower, at its sole cost, for the mutual benefit of the Borrower and the Trustee, as representative of the Bondholders, shall obtain and maintain during the Term the policies of insurance required by Section 2.03 of the Mortgage. All policies of insurance required pursuant to this Section shall conform to the requirements set forth in the Mortgage. The Borrower shall deliver to the Bondholder Representative a certificate(s) of insurance within 30 days after its effective date.

Section 6.02. Casualty If the Project is damaged or destroyed, in whole or in part, by fire or other casualty, the Borrower shall give prompt Written Notice thereof to the Trustee, the Issuer and the Bondholder Representative.

Section 6.03. Condemnation The Borrower shall promptly, after obtaining knowledge thereof, give the Issuer, the Trustee and the Bondholder Representative Written Notice of the actual or threatened commencement of any Condemnation proceeding affecting the Project and shall deliver to the Issuer, the Trustee and the Bondholder Representative copies of any and all papers served in connection with such Condemnation.

ARTICLE VII

DEFAULTS

Section 7.01. Loan Agreement Defaults Each of the following events shall constitute a "Loan Agreement Default"

(a) failure by the Borrower to make any Loan Payment or Additional Payment within five days after the date such payment is due,

(b) failure by the Borrower to prepay the Notes on the date such payment is due as required by Section 2.11,

(c) failure by or on behalf of the Borrower to pay when due any amount (other than as provided in subsections (a) or (b) above) required to be paid by the Borrower under this Loan Agreement, the Notes, the Mortgage or any of the other Bond Documents, including a failure to repay any amounts that have been previously paid but are recovered, attached or enjoined pursuant to any insolvency, receivership, liquidation or similar proceedings, which default remains uncured for a period of five days after Written Notice thereof shall have been given to the Borrower,

(d) a Transfer other than a transfer permitted under the Mortgage occurs,

(e) any representation or warranty made by the Borrower in any Bond Document to which it is a party, or in any report, certificate, financial statement or other instrument, agreement or document furnished by the Borrower in connection with any Bond Document, shall be false or misleading in any material respect as of the Closing Date,

(f) the Borrower shall make a general assignment for the benefit of creditors, or shall generally not be paying its debts as they become due,

(g) an Act of Bankruptcy with respect to the Borrower;

(h) an event of default of the Borrower as defined or described in any other Bond Document to which the Borrower is a party occurs and any applicable notice and or cure period has expired, or

(i) the Borrower shall continue to be in Default under any of the other terms, covenants or conditions of this Loan Agreement (other than paragraphs (a) through (h) above) for 30 days after notice from the Trustee or the Bondholder Representative in the case of such other Default, provided, however, that if such other Default under this paragraph (i) is susceptible of cure but cannot reasonably be cured within such 30-day period, and the Borrower shall have commenced to cure such Default within such 30-day period and thereafter diligently and expeditiously proceeds to cure the same, such 30-day period shall be extended for an additional period of time as is reasonably necessary for the Borrower in the exercise of due diligence to cure such Default, such additional period not to exceed 60 days

After a Responsible Officer of the Trustee obtains actual knowledge of the occurrence of a Loan Agreement Default, the Trustee shall give Written Notice thereof to the Issuer, the Borrower and the Bondholder Representative

Section 7.02. Remedies

(a) **Acceleration** Upon the occurrence of a Loan Agreement Default (other than a Loan Agreement Default described in paragraph (f) or (g) of Section 7 01) and at any time and from time to time thereafter, as long as such Loan Agreement Default continues to exist, in addition to any other rights or remedies available to the Trustee pursuant to the Bond Documents or at law or in equity, the Trustee shall, at the Written Direction of the Bondholder Representative, take such action, without notice or demand, as the Bondholder Representative deems advisable to protect and enforce its rights against the Borrower and in and to the Project, including declaring the Borrower Payment Obligations to be immediately due and payable (including, without limitation, the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Notes to be immediately due and payable), without notice or demand, and apply such payment of the Borrower Payment Obligations to the redemption of the Bonds pursuant to Section 4 04 of the Indenture, and upon any Loan Agreement Default described in paragraph (f) or (g) of Section 7 01, the Borrower Payment Obligations shall become immediately due and payable at the Bondholder Representative's election, in the

Bondholder Representative's sole discretion (as the case may be), without notice or demand, and the Borrower hereby expressly waives any such notice or demand, anything contained in any Bond Document to the contrary notwithstanding. Notwithstanding anything herein to the contrary, the Bondholder Representative shall control the enforcement of the remedies hereunder and under the Indenture.

(b) **Remedies Cumulative** Upon the occurrence of a Loan Agreement Default, all or any one or more of the rights, powers, privileges and other remedies available to the Trustee against the Borrower under the Bond Documents or at law or in equity may be exercised by the Trustee, at the Written Direction of the Bondholder Representative, at any time and from time to time, whether or not all or any of the Borrower Payment Obligations shall be declared due and payable, and whether or not the Trustee, the Bondholder Representative shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Bond Documents. Any such actions taken by the Trustee or the Bondholder Representative shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as the Bondholder Representative may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of the Trustee or the Bondholder Representative permitted by law, equity or contract or as set forth in the Bond Documents. Without limiting the generality of the foregoing, the Borrower agrees that if a Loan Agreement Default is continuing, all Liens and other rights, remedies or privileges provided to the Trustee and Bondholder Representative shall remain in full force and effect until they have exhausted all of their remedies, the Mortgage has been foreclosed, the Project has been sold and/or otherwise realized upon satisfaction of the Borrower Payment Obligations or the Borrower Payment Obligations has been paid in full. To the extent permitted by applicable law, nothing contained in any Bond Document shall be construed as requiring the Trustee or the Bondholder Representative to resort to any portion of the Project for the satisfaction of any of the Borrower Payment Obligations in preference or priority to any other portion, and the Trustee or Bondholder Representative may seek satisfaction out of the entire Property or any part thereof, in its absolute discretion.

(c) **Delay** No delay or omission to exercise any remedy, right, power accruing upon a Loan Agreement Default, or the granting of any indulgence or compromise by the Trustee or the Bondholder Representative shall impair any such remedy, right or power hereunder or be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Default or Loan Agreement Default shall not be construed to be a waiver of any subsequent Default or Loan Agreement Default or to impair any remedy, right or power consequent thereon. Notwithstanding any other provision of this Loan Agreement, the Trustee and the Bondholder Representative reserve the right to seek a deficiency judgment or preserve a deficiency claim, in connection with the foreclosure of the Mortgage to the extent necessary to foreclose on other part of the Project, the Rents, the funds or any other collateral.

(d) ***Bondholder Representative's and Trustee's Right to Perform the Obligations*** If the Borrower shall fail, refuse or neglect to make any payment or perform any act required of it by the Bond Documents, then while any Loan Agreement Default exists, and without notice to or demand upon the Borrower and without waiving or releasing any other right, remedy or recourse the Trustee or the Bondholder Representative may have because of such Loan Agreement Default, the Trustee or the Bondholder Representative may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Borrower, and shall have the right to enter upon the Project for such purpose and to take all such action thereon and with respect to the Project as it may deem necessary or appropriate. If the Trustee or the Bondholder Representative shall elect to pay any sum due with reference to the Project, the Trustee or the Bondholder Representative may do so in reliance on any bill, statement or assessment procured from the appropriate governmental authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by the Bond Documents, the Trustee or the Bondholder Representative shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. All sums paid by the Trustee or the Bondholder Representative pursuant to this Section 7.02, and all other sums expended by the Trustee or the Bondholder Representative to which any of them shall be entitled to be indemnified, together with interest thereon at the Default Rate from the date of such payment or expenditure until paid, shall constitute additions to all amounts payable with respect to the Bonds, shall be secured by the Bond Documents and shall be paid by the Borrower to the Trustee or the Bondholder Representative upon demand.

(e) ***Trustee's Exercise of the Issuer's Remedies*** Whenever any Loan Agreement Default shall have occurred and be continuing, the Trustee may at the Written Direction of the Bondholder Representative, but shall not be obligated to, exercise any or all of the rights of the Issuer under this Article, upon notice as required of the Issuer unless the Issuer has already given the required notice. In addition, the Trustee shall have available to it all of the remedies prescribed by the Indenture. Notwithstanding anything herein to the contrary, the Issuer may not exercise any remedies available to the Issuer against the Borrower under the Bond Documents or at law or in equity in order to enforce its Unassigned Issuer's Rights, other than the remedy of specific performance, without the consent of the Bondholder Representative.

(f) ***Assumption of Obligations*** If the Trustee, the Bondholders or the Bondholder Representative or their respective assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and assume the obligations of the Borrower under this Loan Agreement, the Notes, the Regulatory Agreement, and any other Bond Documents to which the Borrower is a party. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower. It is the intention of the parties hereto that upon the occurrence and continuance of a Loan Agreement Default, rights and remedies may be pursued pursuant to the terms of the

Bond Documents The parties hereto acknowledge that, among the possible outcomes to the pursuit of such remedies, is the situation where the Trustee, the Bondholder, the Bondholders or their respective assignees or designees becomes the owner of the Project and assumes the obligations identified above, and the Notes, the Bonds and the other Bond Documents remain outstanding

(g) ***Right to Directly Enforce*** Notwithstanding any other provision hereof to the contrary, the Bondholder Representative, shall have the right to directly enforce all rights and remedies hereunder with or without involvement of the Issuer or the Trustee, provided that only the Issuer may enforce the Unassigned Issuer's Rights and the Trustee may enforce its Mortgagee Retained Rights (as defined in the Mortgage) If any of the provisions set forth in this Section 7 02(g) are inconsistent with the covenants, terms and conditions of the Mortgage, the covenants, terms and conditions of the Mortgage shall prevail

ARTICLE VIII

SPECIAL PROVISIONS

Section 8.01. Cooperation in Sale of Notes and Secondary Market Transaction At the Bondholder Representative's Written Request (to the extent not already required to be provided by the Borrower under this Loan Agreement), the Borrower shall use reasonable efforts, at no cost or expense to Borrower, to satisfy the market standards to which the Bondholder Representative customarily adheres or which may be reasonably required in the marketplace or by the Bondholder Representative in connection with one or more sales or assignments of all or a portion of the Bonds or participations therein or securitizations of single or multi-class securities secured by or evidencing ownership interests in all or a portion of the Bonds (each such sale, assignment and/or securitization, a "Secondary Market Transaction")

ARTICLE IX

MISCELLANEOUS

Section 9.01. Notices All notices, consents, approvals and requests required or permitted hereunder or under any other Bond Document (a "notice") shall be given in the manner and under the conditions set forth in the Indenture, addressed to the appropriate party at the address set forth in Section 13 01 of the Indenture

Section 9.02. Brokers and Financial Advisors The Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the Loan, other than those disclosed to the Bondholder Representative and whose fees shall be paid by the Borrower pursuant to a separate agreement The Borrower and the Bondholder Representative shall indemnify and hold the other harmless from and against any and all claims, liabilities, costs and expenses of any kind in any way relating to or arising from a claim by any Person that such Person acted on behalf of the indemnifying party in connection with the transactions contemplated herein The provisions of this Section 9 02 shall survive the

expiration and termination of this Loan Agreement and the repayment of the Borrower Payment Obligations

Section 9.03. Survival This Loan Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by the Issuer of the Loan and the execution and delivery to the Issuer of the Notes, and the assignment of the Notes by the Issuer to the Trustee, and shall continue in full force and effect so long as all or any of the Borrower Payment Obligations is unpaid. All the Borrower's covenants and agreements in this Loan Agreement shall inure to the benefit of the respective legal representatives, successors and assigns of the Issuer, the Bondholder Representative or the Trustee on behalf of the Bondholders.

Section 9.04. Governing Law This Loan Agreement shall be governed by the laws of the State

Section 9.05. Modification, Waiver in Writing No modification, amendment, extension, discharge, termination or waiver of any provision of this Loan Agreement or of any other Bond Document, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to or demand on the Borrower shall entitle the Borrower to any other or future notice or demand in the same, similar or other circumstances.

Section 9.06. Delay Not a Waiver Neither any failure nor any delay on the part of the Trustee or the Bondholder Representative in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege hereunder, or under any other Bond Document, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under any Bond Document, the Trustee and the Bondholder Representative shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under the Bond Documents, or to declare a Loan Agreement Default for failure to effect prompt payment of any such other amount.

Section 9.07. Trial by Jury The Borrower hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to the Bond Documents, or any claim, counterclaim or other action arising in connection therewith. This waiver of right to trial by jury is given knowingly and voluntarily by the Borrower, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue. The Trustee and the Bondholder Representative is each hereby authorized to file a copy of this paragraph in any proceeding as conclusive evidence of this waiver by the Borrower. This Section in no way affects the right of the Issuer to elect a trial by jury.

Section 9.08. Headings The Section headings in this Loan Agreement are included herein for convenience of reference only and shall not constitute a part of this Loan Agreement for any other purpose

Section 9.09. Severability Wherever possible, each provision of this Loan Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Loan Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Loan Agreement

Section 9.10. Preferences The Trustee shall have the continuing and exclusive right to apply or reverse and reapply in accordance with the Bond Documents any and all payments by the Borrower to any portion of the Borrower Payment Obligations To the extent the Borrower makes a payment to the Trustee or the Trustee receives proceeds of any collateral, which is in whole or part subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the Borrower Payment Obligations or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by the Trustee

Section 9.11. Waiver of Notice The Borrower shall be entitled to any notices from the Issuer, the Bondholder Representative or the Trustee with respect to matters for which this Loan Agreement or any other Bond Document specifically and expressly provides for the giving of notice by the Issuer, the Bondholder Representative or the Trustee, as the case may be, to the Borrower and which are reasonably related to the Bond Documents and the actions contemplated thereby would have a material adverse effect on the Borrower

Section 9.12. [RESERVED].

Section 9.13. Offsets, Counterclaims and Defenses The Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by the Trustee or the Bondholder Representative with respect to a Loan Payment Any assignee of Bondholder's interest in and to the Bond Documents shall take the same free and clear of all offsets, counterclaims or defenses that are unrelated to the Bond Documents which the Borrower may otherwise have against any assignor of such documents, and no such unrelated offset, counterclaim or defense shall be interposed or asserted by the Borrower in any action or proceeding brought by any such assignee upon such documents, and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by the Borrower

Section 9.14. Publicity The Bondholder Representative shall have the right to issue press releases, advertisements and other promotional materials describing the Bondholder Representative's participation in the purchasing of the Bonds or the Bond's inclusion in any Secondary Market Transaction effectuated by the Bondholder Representative or one of its Affiliates The Borrower or its Affiliates will not issue news releases, publicity or advertising through any media intended to reach the general public, which refers to the Bond Documents, the

Loan, the Bondholder Representative or the Trustee in any Secondary Market Transaction, without the prior Written Consent of the Bondholder Representative

Section 9.15. No Usury The Borrower, the Issuer and the Trustee intend at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits a party to contract for, charge, take, reserve or receive a greater amount of interest than under state law) and that this Section 9.15 shall control every other agreement in the Bond Documents. If the applicable law (state or federal) is ever judicially interpreted so as to render usurious any amount called for under the Notes or any other Bond Document, or contracted for, charged, taken, reserved or received with respect to the Borrower Payment Obligations, or if the Trustee's acceleration of the maturity of the Loan or any prepayment by the Borrower or any premium or Late Charge results in the Borrower having paid any interest in excess of that permitted by applicable law, then it is the parties' express intent that all excess amounts theretofore collected by the Trustee shall be credited against the unpaid Principal and all other elements of the Borrower Payment Obligations (or, if the Borrower Payment Obligations has been or would thereby be paid in full, refunded to the Borrower), and the provisions of the Bond Documents immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder. All sums paid or agreed to be paid to the Trustee for the use, forbearance or detention of the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the maximum lawful rate from time to time in effect and applicable to the Loan for so long as the Loan is outstanding. Notwithstanding anything to the contrary contained in any Bond Document, it is not the intention of the Trustee to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration.

Section 9.16. Construction of Documents The parties hereto acknowledge that they were represented by counsel in connection with the negotiation and drafting of the Bond Documents and that the Bond Documents shall not be subject to the principle of construing their meaning against the party that drafted them.

Section 9.17. No Third Party Beneficiaries The Bond Documents are solely for the benefit of Bondholders, the Issuer, the Trustee, the Bondholder Representative and the Borrower and nothing contained in any Bond Document shall be deemed to confer upon anyone other than the Bondholders, the Issuer, the Trustee, the Bondholder Representative and the Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained therein.

Section 9.18. Assignment The Bonds, the Mortgage, the Bond Documents and all Bondholder's rights, title, obligations and interests therein may be assigned by the Bondholder Representative at any time in its sole discretion, whether by operation of law (pursuant to a merger or other successor in interest) or otherwise. Upon such assignment, all references to Bondholder in this Loan Agreement and in any Bond Document shall be deemed to refer to such assignee or successor in interest and such assignee or successor in interest shall thereafter stand in the place of the Bondholder Representative or subsequent Bondholders and the Trustee shall

notify Borrower promptly after receipt of notice by Trustee of such assignment in compliance with the provisions of Section 13.05 of the Indenture. The Borrower may not assign its rights, interests or obligations under this Loan Agreement or under any of the Bond Documents, except only as may be expressly permitted hereby or by the other Bond Documents.

Section 9.19. COMPLETE AND CONTROLLING AGREEMENT. THIS LOAN AGREEMENT AND THE OTHER BOND DOCUMENTS TO WHICH THEY ARE PARTIES COMPLETELY SETS FORTH THE AGREEMENT BETWEEN THE ISSUER AND THE BORROWER AS TO THE MATTERS COVERED BY THIS LOAN AGREEMENT AND FULLY SUPERSEDES ALL PRIOR AGREEMENTS, BOTH WRITTEN AND ORAL, BETWEEN THE ISSUER AND THE BORROWER RELATING TO ALL SUCH MATTERS. THE TERMS AND PROVISIONS OF THIS LOAN AGREEMENT MAY BE AMENDED OR SUPERSEDED ONLY BY A WRITTEN INSTRUMENT (SUBJECT TO THE PROVISIONS OF ARTICLE XI OF THE INDENTURE) AND NO ORAL AGREEMENTS, PRACTICES, STANDARDS OR OTHER EXTRINSIC COMMUNICATIONS OR FACTS SHALL HAVE ANY BEARING ON THE INTERPRETATION OR ENFORCEMENT OF THIS LOAN AGREEMENT EXCEPT AS OTHERWISE EXPRESSLY AGREED TO IN WRITING BY THE ISSUER AND THE BORROWER.

Section 9.20. Consents. Wherever in this Loan Agreement it is provided that the Issuer or the Trustee shall, may or must give its approval or consent, or execute supplemental agreements or schedules, the Issuer or the Trustee may not unreasonably or arbitrarily withhold, delay or refuse, unreasonably condition such approvals or consents.

Section 9.21. Issuer, Trustee and Bondholder Representative Not in Control; No Partnership. None of the covenants or other provisions contained in this Loan Agreement shall, or shall be deemed to, give the Issuer, the Trustee or the Bondholder Representative the right or power to exercise control over the affairs or management of the Borrower, the power of the Issuer, the Trustee and the Bondholder Representative being limited to the rights to exercise the remedies referred to in the Bond Documents. The relationship between the Borrower and the Issuer, the Trustee, the Bondholder Representative and the Bondholders is, and at all times shall remain, solely that of debtor and creditor. No covenant or provision of the Bond Documents is intended, nor shall it be deemed or construed, to create a partnership, joint venture, agency or common interest in profits or income between the Borrower and the Issuer, the Trustee, the Bondholder Representative or any Bondholder or to create an equity interest in the Project in the Issuer, the Trustee, the Bondholder Representative or any Bondholder. Neither the Issuer, the Trustee, the Bondholder Representative nor any Bondholder undertakes or assumes any responsibility or duty to the Borrower or to any other person with respect to the Project or the Loan, except as expressly provided in the Bond Documents, and notwithstanding any other provision of the Bond Documents: (1) the Issuer, the Trustee, the Bondholder Representative and the Bondholders are not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of the Borrower or its stockholders, members or partners and the Issuer, the Trustee, the Bondholder Representative and the Bondholders do not intend to ever assume such status, (2) the Issuer, the Trustee, the Bondholder Representative and the Bondholders shall in no event be liable for any the Borrower Payment Obligations, expenses or losses incurred or sustained by the Borrower,

and (3) the Issuer, the Trustee, the Bondholder Representative and the Bondholders shall not be deemed responsible for or a participant in any acts, omissions or decisions of the Borrower or its stockholders, members or partners. The Issuer, the Trustee, the Bondholder Representative, the Bondholders and the Borrower disclaim any intention to create any partnership, joint venture, agency or common interest in profits or income between the Issuer, the Trustee, the Bondholder Representative, the Bondholders and the Borrower, or to create an equity interest in the Project in the Issuer, the Trustee, the Bondholder Representative or the Bondholders, or any sharing of liabilities, losses, costs or expenses.

Section 9.22. Time of the Essence Time is of the essence with respect to this Loan Agreement.

Section 9.23. References to Bondholder Representative The provisions of Section 13.05 of the Indenture pertaining to the Bondholder Representative are incorporated by reference herein.

Section 9.24. Release The Borrower hereby acknowledges that it is executing this Loan Agreement and each of the Bond Documents to which it is a party as its own voluntary act free from duress and undue influence.

Section 9.25. Assignments to Trustee It is understood and agreed that all right, title and interest of the Issuer in and to this Loan Agreement (other than the Unassigned Issuer's Rights) are to be pledged and assigned by the Issuer to the Trustee in trust as security for the Bonds under and pursuant to the Indenture. The Borrower consents to such pledge and assignment. The Issuer directs the Borrower, and the Borrower agrees, to pay or cause to be paid to the Trustee at its corporate trust office set forth in Section 13.01 of the Indenture, all payments so assigned pursuant to this Section.

Section 9.26. Term of Loan Agreement This Loan Agreement shall be in full force and effect until no Bonds are Outstanding under the Indenture and all Bond Obligations and other payment obligations of the Borrower hereunder have been paid in full or the payment thereof has been provided for, except that on and after payment in full of the Notes, this Loan Agreement shall be terminated, without further action by the parties hereto, provided, however, that the obligations of the Borrower under Sections 3.01(hh), 3.01(ii), 3.01(mm), 4.10, 4.13, 4.14, 4.17, and 9.27 shall survive the termination of this Loan Agreement.

Section 9.27. Reimbursement of Expenses If, upon or after the occurrence of any Loan Agreement Default or Default, the Issuer, the Trustee or the Bondholder Representative shall employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained herein, the Borrower will on demand therefor reimburse the Issuer, the Trustee and the Bondholder Representative for reasonable fees of such attorneys and such other reasonable expenses so incurred. The Borrower's obligation to pay the amounts required to be paid hereunder and under Section 2.06 hereof shall be subordinate to its obligations to make payments under the Notes.

Section 9.28. Execution in Several Counterparts This Loan Agreement may be contemporaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original

ARTICLE X

LIMITATIONS ON LIABILITY

Section 10.01. Limitations on Liability Notwithstanding anything to the contrary herein, the liability of the Borrower hereunder and under the other Bond Documents and the Loan Documents shall be limited to the extent set forth in Section 9 of the Notes, which is incorporated by reference herein and made a part hereof, and except as otherwise provided in Section 9 of the Notes, the Borrower shall not have any personal liability for the amounts payable under the Bond Documents or the Loan Documents, provided that such limitation shall not apply to the Borrower in connection with the Borrower's failure to make any payment with respect to (i) any Rebate Amount or (ii) the indemnification provisions of Section 4 14 None of the above limitations on the personal liability of the Borrower shall modify, diminish or discharge the personal liability of any guarantor Nothing herein or in the Notes shall be deemed to be a waiver of any right which the Issuer, the Trustee, the Bondholder Representative or the Bondholders may have under Sections 506(a), 506(b), 1111(b) or any other provision of the United States Bankruptcy Code, as such sections may be amended, or corresponding or superseding sections of the Bankruptcy Amendments and Federal Judgeship Act of 1984, to file a claim for the full amount due to the Issuer, the Trustee, the Bondholder Representative or the Bondholders under the Bond Documents or to require that all collateral shall continue to secure the amounts due under the Bond Documents

Section 10.02. Limitation on Liability of Bondholder Representative's Officers, Employees, Etc. Any obligation or liability whatsoever of the Bondholder Representative that may arise at any time under this Loan Agreement or any other Loan Document shall be satisfied, if at all, out of the Bondholder Representative's assets only No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the Project or any of the Bondholder Representative's managers, shareholders, directors, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise

Section 10.03. Limitation on Liability of the Issuer The Bond Obligations are payable solely and only from the special funds pledged for the benefit of the Bondholders pursuant to the Indenture The Bonds and the interest thereon and premium, if any, do not represent or constitute an indebtedness of the Issuer, the State or any other political subdivision of the State within the meaning of the provisions of the constitution or statutes of the State or a pledge of the faith and credit of the Issuer, the State or any other political subdivision of the State The Bonds are a limited obligation of the Issuer payable solely and only out of payments by the Borrower pursuant to this Loan Agreement and the Notes The Bonds are not a lien or charge upon the funds or Property of the Issuer, except to the extent of the aforementioned No recourse shall be had for the payment of the Bond Obligations against any elected or appointed director, member, officer, official, employee or agent of the Issuer or any person executing the Bonds

Section 10.04. Delivery of Reports, Etc. The delivery of reports, information and documents to the Issuer as provided herein is for informational purposes only and the Issuer's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein. The Issuer shall have no duties or responsibilities except those that are specifically set forth herein, and no other duties or obligations shall be implied in this Loan Agreement against the Issuer.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be duly executed as of the date first written above

AUSTIN HOUSING FINANCE
CORPORATION

By _____
Name Will Wynn
Title President

SAN ANTONIO ALTERNATIVE HOUSING
CORPORATION NO 15

By _____
Name _____
Title _____

EXHIBIT C

. SPACE ABOVE THIS LINE FOR RECORDER'S USE

After Recording Return To

McCall, Parkhurst & Horton L L P
717 North Harwood, Suite 900
Dallas, Texas 75201
Attention Mark A Malveaux

REGULATORY AND LAND USE RESTRICTION AGREEMENT

Among

AUSTIN HOUSING FINANCE CORPORATION,
as Issuer,

AMERICAN NATIONAL BANK,
as Trustee,

and

SAN ANTONIO ALTERNATIVE HOUSING CORPORATION NO 15
(a Texas non-profit corporation),
as Owner

Dated as of May 1, 2007

Relating to

\$9,150,000
Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Meadowood Apartments Project)
Series 2007A

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REGULATORY AND LAND USE RESTRICTION AGREEMENT

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT (this "Agreement" or this "Regulatory Agreement") dated as of May 1, 2007 is among the AUSTIN HOUSING FINANCE CORPORATION, a housing finance corporation duly organized and validly existing under the laws of the State of Texas (together with its successors and assigns, the "Issuer"), AMERICAN NATIONAL BANK, a national banking association organized and existing under the laws of the United States of America, as trustee (together with any successor or trustee under the Indenture (as defined below), and their respective successors and assigns, the "Trustee") under the hereinafter-defined Indenture, and SAN ANTONIO ALTERNATIVE HOUSING CORPORATION NO 15, a Texas non-profit corporation (together with its permitted successors and assigns, the "Owner"),

WITNESSETH

WHEREAS, pursuant to the Act (as hereinafter defined), the Issuer is authorized to issue one or more series of its revenue bonds and to loan the proceeds thereof to finance the acquisition, construction and equipping of residential rental housing for persons of low and moderate income, and

WHEREAS, the Owner has requested the assistance of the Issuer in financing a multifamily residential rental housing project located on the real property described in Exhibit A hereto (the "Project Site") and described in Exhibit B hereto (the "Project Facilities" and, together with the Project Site, the "Project"), and, as a condition to such financial assistance, the Owner has agreed to enter into this Regulatory Agreement, setting forth certain restrictions with respect to the Project, and

WHEREAS, the Issuer has determined to assist in the financing of the Project by issuing Austin Housing Finance Corporation Multifamily Housing Revenue Bonds (Meadowood Apartments Project) Series 2007A in the aggregate principal amount of \$9,150,000 (the "Bonds"), and making a mortgage loan to the Owner of such principal amount, upon the terms and conditions set forth in the Loan Agreement (as hereinafter defined),

WHEREAS, in order for interest on the Bonds to be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and the income tax regulations (including temporary, proposed and final regulations) and rulings with respect to the Code, and in order to comply with the requirements of the Act, relating to the Bonds, the use and operation of the Project must be restricted in certain respects, and

WHEREAS, the Issuer, the Trustee and the Owner have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, construction, equipping and operation of the Project and in order to ensure that the Project will be acquired, constructed, equipped, used and operated in accordance with the Code and the Act

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer, the Trustee and the Owner hereby agree as follows

Section 1 Definitions and Interpretation In addition to terms defined above, capitalized terms shall have the respective meanings assigned to them in this Section 1 or the Indenture unless the context in which they are used clearly requires otherwise

"Act" means the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended

"Affiliated Party" means a partner of the Owner, a person whose relationship with the Owner would result in a disallowance of losses under section 267 or 707(b) of the Code or a person who, together with the Owner, is a member of the same controlled group of corporations (as defined in section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein)

"Affordable Rents" means rent paid by a tenant of a residential unit in a multi-family residential development such that the gross monthly rent of the residential unit, after deduction of the monthly value of any in-kind services (including, without limitation, utilities) provided to a tenant, does not exceed 30% of the gross family monthly income of the tenant occupying such residential unit. This determination shall be made in accordance with procedures established by the Issuer and (a) at the time of initial occupancy of the residential unit and (b) at the time of each increase of the gross monthly rent with respect to such residential unit

"Agreement" or "Regulatory Agreement" means this Regulatory and Land Use Restriction Agreement, as it may be amended from time to time

"Anticipated Annual Income" means the anticipated annual income of a person (together with the anticipated annual income of all persons who intend to reside with such person in one Unit), as determined in accordance with Section 167(k)-3(b)(3) of the Regulations (prior to its withdrawal by T D 8473, April 27, 1993) or with such other Regulations as may be imposed pursuant to section 142(d) of the Code

"Compliance Monitoring Report" means the certified residential rental housing program compliance report to be filed by the Owner with the Issuer and the Trustee pursuant to Section 4(b)(iv) hereof and the Loan Agreement with respect to the Project, in substantially the form attached hereto as Exhibit D, or in such other form as the Issuer may reasonably prescribe

"Computation Date" means each Installment Computation Date and the Final Computation Date

"Eligible Tenants" means persons of low and moderate income whose adjusted gross income, together with the adjusted gross income of all persons who intend to reside with those persons in one dwelling unit, did not for the preceding tax year exceed the maximum amount constituting moderate income under the Issuer's rules, resolutions relating to the issuance of bonds, or financing documents relating to the issuance of bonds, which as of the date hereof, is 80% of median family income

"Favorable Opinion of Bond Counsel" means an opinion of Bond Counsel, addressed to the Issuer and the Trustee, to the effect that the action to be taken will not adversely affect the excludability of interest on the Bonds from gross income for federal tax purposes

"Final Computation Date" means the date the last Bond is discharged

"Gross Proceeds" means any Proceeds and any Replacement Proceeds of the Bonds

"Indenture" means the Trust Indenture of even date herewith by and between the Issuer and the Trustee, relating to the issuance of the Bonds, and any indenture supplemental thereto

"Inducement Date" means November 29, 2001

"Installment Computation Date" means the last day of each Rebate Year commencing December 31, 2007, and the date on which the final payment in full of all Outstanding Bonds is made

"Investment" has the meaning set forth in section 1 148-1(b) of the Regulations

"Investment Proceeds" means any amounts actually or constructively received from investing Proceeds

"Issue Price" means "issue price" as defined in sections 1273 and 1274 of the Code, unless otherwise provided in Sections 1 148-0 through 1 148-11 of the Regulations and, generally, is the aggregate initial offering price to the public (excluding bond houses, brokers and other intermediaries acting in the capacity of wholesalers or underwriters) at which a substantial amount of each maturity of Bonds is sold

"Loan" means the loan to be made to the Owner pursuant to the Promissory Note, the Mortgage and the Loan Agreement

"Loan Agreement" means the Loan Agreement of even date herewith among the Issuer and the Owner, as it may be amended, modified, supplemented or restated from time to time to the extent permitted by the Indenture

"Low-Income Tenants" means persons whose aggregate Anticipated Annual Income does not exceed 50% of the Median Gross Income for the Area For purposes of this definition, the occupants of a Unit shall not be deemed to be Low-Income Tenants if all the occupants of such Unit at any time are "students", as defined in section 151(c)(4) of the Code, no one of whom is entitled to file a joint return under section 6013 of the Code

"Low-Income Unit" means a Unit which is included as a Unit satisfying the requirements of the Set Aside

"Median Gross Income for the Area" means, with respect to the Project, the median income for the households in the area which includes the standard metropolitan statistical area in which the Project is located, as determined from time to time by the Secretary of Housing and Urban Development, under Section 8 of the United States Housing Act of 1937, as amended (or if such program is terminated, median income determined under the program in effect immediately before such termination), in each case as adjusted for family size

"Net Proceeds" means any Net Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bonds

"Net Sale Proceeds" means the Sale Proceeds of the Bonds less any such proceeds deposited into a Reasonably Required Reserve or Replacement Fund under section 148(d) of the Code

"Nonpurpose Investments" means any "investment property," within the meaning of section 148(b) of the Code, acquired with the Gross Proceeds of the Bonds

"Owner Representative" means any Person who at the time and from time to time may be designated as such, by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such Person and signed on behalf of the Owner by the General Partner, which certificate may designate an alternate or alternates

"Person" means any individual, entity, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof

"Proceeds" means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bonds

"Project" means the Project Facilities and the Project Site

"Project Costs" means, to the extent authorized by the Act, any and all costs incurred by the Owner with respect to the acquisition, construction, rehabilitation and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the date of this Regulatory Agreement, including, without limitation, costs for site preparation, the planning of housing and improvements, the removal or demolition of existing structures, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractor's and Owner's overhead and supervisor's fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof

"Project Facilities" means the multifamily housing set forth in Exhibit B hereto

"Project Site" means the parcel or parcels of real property described in Exhibit A, which is attached hereto and by this reference incorporated herein, and all rights and appurtenances appertaining thereunto

"Promissory Note" means the Multifamily Note executed by the Borrower in favor of the Issuer and assigned to the Trustee, evidencing the Loan

"Qualified Project Costs" means the Project Costs incurred no earlier than 60 days prior to the Inducement Date (or which are qualifying preliminary expenditures) and no earlier than three years prior to the date reimbursed with Proceeds, but in no event shall such costs have been incurred with respect to a portion of the Project that is placed in service, within the meaning of Section 1502 of the Regulations, earlier than 18 months prior to the date the related costs are reimbursed with Proceeds, provided that such costs are chargeable to a capital account with respect to the Project for Federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Owner or but for the proper election by the Owner to deduct those amounts, provided, however, that, if any portion of the Project is being constructed by the Owner or an Affiliated Party (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by the Owner or such Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Owner or such Affiliated Party (but excluding any profit component) and (c) any overhead expenses incurred by the Owner or such Affiliated Party which are directly attributable to the work performed on the Project and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of section 1504 of the Code) participating in the construction of the Project or payments received by such Affiliated Party

due to early completion of the Project (or any portion thereof) Qualified Project Costs do not include Costs of Issuance

"Qualified Project Period" means, with respect to the Project, the period beginning on the closing date and ending on the later of (i) the date which is 20 years after the closing date, or (ii) the first date on which no tax-exempt bond issued with respect to the Project is outstanding

"Reasonably Required Reserve or Replacement Fund" means any fund described in section 148(d) of the Code, provided that the amount thereof allocable to the Bonds invested at a Yield materially higher than the Yield on the Bonds does not exceed 10% of the proceeds of the Bonds, within the meaning of section 148(d) of the Code, and does not exceed the size limitations in Section 1 148-2(f)(2)(ii) of the Regulations

"Rebate Amount" has the meaning ascribed in Section 1 148-3(b) of the Regulations and generally means the excess as of any date of the future value of all receipts on Nonpurpose Investments over the future value of all payments on Nonpurpose Investments all as determined in accordance with section 1 148-3 of the Regulations In the case of any Spending Exception Issue, the "Rebate Amount" as of any Computation Date shall be limited to the "Rebate Amount" attributable to any Reasonably Required Reserve or Replacement Fund

"Regulations" means the applicable proposed, temporary or final Income Tax Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time

"Replacement Proceeds" has the meaning set forth in Section 1 148-1(c) of the Regulations

"Sale Proceeds" means any amounts actually or constructively received from the sale (or other disposition) of any Bond, including amounts used to pay underwriters' discount or compensation and accrued interest other than pre-issuance accrued interest Sale Proceeds also include amounts derived from the sale of a right that is associated with any Bond and that is described in Section 1 148-4 of the Regulations

"Set Aside" has the meaning assigned to such term in Section 2(i) hereof

"Spending Exception Issue" means any issue of Bonds that meets either the six month exception or the 18-month exception set forth in section 1 148-7 of the Regulations

"Stated Maturity," when used with respect to the Promissory Note or the Bonds or any installment of interest thereon, means any date specified in the Promissory Note or the Bonds as a fixed date on which the principal of the Loan or the Bonds or a portion thereof or such installment of interest is due and payable

"Tax Letter of Representation" means the Owner's Tax Letter of Representation dated the Closing Date, executed by the Owner and addressed to the Issuer and Bond Counsel

"Tenant Income Certification" means a certification as to income and other matters executed by the household members of each tenant in the Project, in substantially the form of Exhibit C attached hereto, or in such other form as reasonably may be required by the Issuer all in satisfaction of the requirements of Regulations Section 1 167(k)-3(b)(3) (prior to its withdrawal by T D 8473, April 27,

1993) and other regulations of the Issuer and as described in Section 4(b)(ii), including the Tenant Income Certification Form as set forth in Exhibit C

"Transferred Proceeds" means, with respect to any portion of the Bonds that is a refunding issue, proceeds that have ceased to be proceeds of a refunded issue and are transferred proceeds of the refunding issue by reason of Section 1 148-9 of the Regulations

"Unit" means a residential accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation located within the Project

"Yield" means yield as determined in accordance with section 148(h) of the Code, and generally, is the yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the Issue Price of such obligation

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter gender shall be construed to include each other gender, and words of the singular number shall be construed to include the plural number, and vice versa This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof

The defined terms used in the preamble and recitals of this Regulatory Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Section 1, notwithstanding any contrary definition in the preamble or recitals hereof The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise

Section 1A Acquisition, Construction and Equipping of the Project The Owner hereby represents, as of the date hereof, covenants and agrees as follows

- (a) The Owner has incurred, or will incur within six months after the Closing Date, a substantial binding obligation to commence the development of the Project, pursuant to which the Owner is or will be obligated to expend at least 5 percent of the Sale Proceeds of the Bonds
- (b) The Owner's reasonable expectations respecting the total cost of the acquisition, construction and equipping of the Project are accurately set forth in the Tax Letter of Representation
- (c) The Owner has commenced or will commence the acquisition, construction and equipping of the Project and will proceed with due diligence to complete the same
- (d) The Owner reasonably expects to expend not less than 85 percent of the Sale Proceeds of the Bonds for Project Costs prior to the date that is three years after the Closing Date
- (e) The statements made in the various certificates delivered by the Owner to the Issuer, Bond Counsel and/or the Trustee are true and correct in all material respects

(f) The Owner will submit, or cause to be submitted, to the Trustee, on or before the date of each disbursement of Proceeds of the Bonds from the Construction Fund, if any, held by the Trustee under the Indenture, a requisition in substantially the form required by the Loan Agreement, duly executed by an Owner Representative and certifying that the full amount of such disbursement will be applied to pay or to reimburse the Owner for the payment of Project Costs and that, after taking into account the proposed disbursement, the aggregate disbursements from the Loan Account of the Project Fund will have been applied to pay or to reimburse the Owner for the payment of Qualified Project Costs in an amount equal to 95 percent or more of the aggregate disbursements from such fund

(g) [Reserved]

(h) The Owner (and any Affiliated Party) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the Proceeds of the Bonds to be applied in a manner contrary to the requirements of the Indenture, the Loan Agreement or this Regulatory Agreement. The Owner acknowledges that such requirements have been designed for the purpose of ensuring compliance with the provisions of the Act or the Code applicable to the Owner and the Project

Section 2 **Tax-Exempt Status of the Bonds** The Owner shall not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the excludability of interest on the Bonds from the gross income of the holders of the Bonds, as defined in section 61 of the Code, for Federal income tax purposes. With the intent not to limit the generality of the foregoing, the Owner covenants and agrees that prior to the final maturity of the Bonds, unless it has received and filed with the Issuer and Trustee a Favorable Opinion of Bond Counsel to the effect that failure to comply with any such covenant or agreement, in whole or in part, will not adversely affect the exclusion from gross income for Federal income tax purposes of interest paid or payable on the Bonds

(a) The Owner's use of the Net Proceeds of the Bonds shall at all times satisfy the following requirements

(i) At least 95 percent of the Net Proceeds of the Bonds shall be used to pay Qualified Project Costs that are costs of a "qualified residential rental project" (within the meaning of sections 142(a)(7), 142(d) and 145(d) of the Code and section 1.103-8(b)(4) of the Regulations) and property that is "functionally related and subordinate" thereto (within the meaning of Sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) of the Regulations), all of which costs shall be properly chargeable to the Project's capital account or would be so chargeable either with a proper election by the Owner or but for a proper election by the Owner to deduct such amounts

(ii) Reserved

(iii) Reserved

(iv) The Owner covenants and agrees that the Costs of Issuance financed with the proceeds of the Bonds shall not exceed 2 percent of the Sale Proceeds

(v) The Owner shall not use or permit the use of any Net Proceeds of the Bonds or any income from the investment thereof to provide any airplane, skybox, or other private luxury box, any facility primarily used for gambling, or any store the

principal business of which is the sale of alcoholic beverages for consumption off premises

(b) The Owner shall not take any action or omit to take any action with respect to the Gross Proceeds of the Bonds which, if taken or omitted, respectively, would cause any Bond to be classified as an "arbitrage bond" within the meaning of section 148 of the Code

(c) . Except as provided in the Indenture and the Loan Documents, the Owner shall not pledge or otherwise encumber, or permit the pledge or encumbrance of, any money, investment, or investment property as security for payment of any amounts due under the Loan Agreement relating to the Bonds, shall not establish any segregated reserve or similar fund for such purpose and shall not prepay any such amounts in advance of the redemption date of an equal principal amount of Bonds, unless prior to taking any action described in this subsection (c), the Owner has obtained and delivered to the Trustee a Favorable Opinion of Bond Counsel

(d) The Owner shall not, at any time prior to the final maturity of the Bonds, direct or permit the Trustee to invest Gross Proceeds of the Bonds in any Investment (or to use Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments acquired with Gross Proceeds (or with money replaced thereby) on or prior to the date of such investment exceeds the Yield of the Bonds to Stated Maturity, except as permitted by section 148 of the Code or as provided in the No-Arbitrage Certificate dated the Closing Date delivered by the Issuer with respect to the Bonds

(e) Except to the extent permitted by section 149(b) of the Code, neither the Issuer nor the Owner shall take or omit to take any action which would cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code

(f) (i) Unless the Owner delivers a Favorable Opinion of Bond Counsel that the Owner needs to comply with this subsection, the Owner shall cause to be delivered, to the Trustee, within 25 days after each Computation Date

(A) a statement of the Rebate Amount as of such Computation Date, and

(B) (1) if such Computation Date is an Installment Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any "previous rebate payments" made to the United States (as that term is used in the Regulations), or (2) if such Computation Date is the Final Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to the Rebate Amount as of such Final Computation Date, less any "previous rebate payments" made to the United States (as that term is used in the Regulations), and

(C) an Internal Revenue Service Form 8038-T properly signed and completed as of such Computation Date

The foregoing notwithstanding, the Owner shall not be required to deliver the foregoing to the Trustee if the Owner certifies that the Bonds are excepted from the requirements of section 148(f) of the Code

(ii) If the Owner shall discover or be notified as of any date

(A) that any amount required to be paid to the United States pursuant to this Section and the Indenture has not been paid as required, or

(B) that any payment paid to the United States pursuant to this Section the Indenture shall have failed to satisfy any requirement of the Regulations (whether or not such failure shall be due to any default by the Owner or the Trustee),

the Owner shall

(X) deliver to the Trustee (for deposit to the Rebate Fund) and cause the Trustee to pay to the United States from the Rebate Fund (I) the Rebate Amount that the Owner failed to pay, plus any interest, specified in the Regulations, if such correction payment is delivered to and received by the Trustee within 175 days after such discovery or notice, or (II) if such correction payment is not delivered to and received by the Trustee within 175 day after such discovery or notice, the amount determined in accordance with clause (I) of this subparagraph (X) plus the 50 percent penalty required by the Regulations, and

(Y) deliver to the Trustee an Internal Revenue Service Form 8038-T properly signed and completed as of such date

(iii) The Owner shall retain all of its accounting records relating to the funds established under the Indenture and all calculations made in preparing the statements described in this Section for at least six years after the date the last Bond is discharged

(iv) The Owner agrees to pay all of the fees and expenses of the Rebate Analyst, which may be Bond Counsel, a certified public accountant and any other necessary consultant employed by the Owner or the Trustee in connection with computing the Rebate Amount

(g) The Owner covenants and agrees that not more than 50 percent of the Proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more within the meaning of section 149(g)(3)(A)(ii) of the Code, and the Owner reasonably expects that at least 85 percent of the spendable Proceeds of the Bonds will be used to carry out the governmental purposes of such issue of Bonds within the three-year period beginning on the Closing Date

(h) The Owner hereby covenants and agrees that the Project will be operated as a "qualified residential rental project" within the meaning of sections 142(a)(7), 142(d), 145(d) of the Code and section 1.103-8(b)(4) of the Regulations, on a continuous basis during the longer of the Qualified Project Period or the period during which any Bond remains outstanding, to the end that the interest on the Bonds shall be excluded from gross income for federal income tax purposes. In particular, the Owner covenants and agrees, and will cause the Manager to covenant and agree for the longer of the Qualified Project Period or the period during which any Bonds remain outstanding, as follows:

(i) The Project qualifies as residential rental property and will be owned, managed and operated at all times during the term specified above as a qualified residential rental project comprised of residential dwelling units and facilities functionally related and subordinate thereto, in accordance with section 142(d) of the Code,

(ii) The Project will consist of one building or structure or several proximate and interrelated buildings or structures, each of which will be a discrete edifice or other man-made construction consisting of an independent foundation, outer walls and a roof, and all of which (A) will be located on a single tract of land or two or more parcels of land that are contiguous (i.e., their boundaries meet at one or more points) except for the interposition of a road, street, stream or similar property, (B) are owned by the same person for Federal tax purposes, and (C) were financed pursuant to a common plan,

(iii) Substantially all of the Project will consist of similarly constructed Units together with functionally related and subordinate facilities for use by Project tenants, such as swimming pools, other recreational facilities, parking areas, heating and cooling equipment, trash disposal equipment, units for resident managers, security personnel or maintenance personnel and other facilities that are reasonably required for the Project,

(iv) Each Unit in the Project will contain complete facilities for living, sleeping, eating, cooking and sanitation, e.g., a living area, a sleeping area, bathing and sanitation facilities, and cooking facilities equipped with a cooking range, refrigerator and sink, all of which will be separate and distinct from other Units,

(v) Each Unit in the Project will be rented or available for rental on a continuous basis to members of the general public at all times during the term specified above (unless occupied by or reserved for a resident manager, security personnel or maintenance personnel) and that the Owner will not give preference in renting Project Units to any particular class or group of persons, other than Low-Income Tenants as provided herein,

(vi) At no time during the term specified above will any Unit in any building or structure in the Project which contains fewer than five Units be occupied by the Owner,

(vii) At no time during the term specified above will any of the Units in the Project be utilized on a transient basis by being leased or rented for a period of less than thirty days or by being used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer park or trailer court,

(viii) The land and the facilities will be functionally related and subordinate to the Units comprising the Project and will be of size and character which is commensurate with the size and number of such Units, and

(i) The Owner hereby represents, covenants and agrees, continuously during the Qualified Project Period, as follows

(i) Twenty percent (20%) of the Units (except for manager, security personnel and maintenance units that are reasonably required for the Project) (the "Set Aside") within the Project (and any other building which is comprised of similarly constructed Units, will be owned by the Owner for federal income tax purposes, will be located on the same or contiguous tract that is not separated from the Project except by a road, street, stream, or similar property, and is financed by the Bonds) that are available for occupancy, including expiration or lawful termination of an existing lease, shall be occupied or held vacant and available for occupancy at all times by Low-Income Tenants at Affordable Rents. For the purposes of this subparagraph (i), a vacant Unit which was most recently occupied by a Low-Income Tenant is treated as rented and occupied by a Low-Income Tenant until reoccupied, at which time the character of such Unit shall be redetermined

(ii) The Owner shall maintain complete and accurate records pertaining to Low-Income Tenants and file all documents as required by section 142(d) of the Code and this Agreement, including Tenant Income Certifications attached as Exhibit C hereto

(iii) No tenant qualifying as a Low-Income Tenant shall be denied continued occupancy of a Unit in the Project because, after admission, such tenant's Anticipated Annual Income increases to exceed the qualifying limit for Low-Income Tenants, provided, however, that, should a Low-Income Tenant's Anticipated Annual Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for a Low-Income Tenant of the same family size and such Low-Income Tenant constitutes a portion of this Section, the next available Unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low-Income Tenant and such new Low-Income Tenant will then constitute a portion of the Set Aside requirement of paragraph (i) of this Section, and provided, further, that, until such next available Unit is rented to a tenant who is a Low-Income Tenant, the former Low-Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low-Income Tenant for purposes of the requirement of subparagraph (i) of this Section 2(i)

The parties hereto recognize that the requirements stated in Section 2(h) shall continue in effect until the termination of the Qualified Project Period or until no Bonds remain outstanding, whichever occurs later, and the requirements in this Section 2(i) shall continue in effect until the termination of the Qualified Project Period

(j) The Owner further covenants and agrees to prepare and submit to the Trustee, no more than 60 days prior to the last day of the Qualified Project Period a certificate setting forth the date on which the Qualified Project Period will end, which certificate shall be in recordable form. The Issuer need not affirmatively consent to the termination of the covenants

(k) Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer and the Trustee may rely conclusively on the truth and accuracy of any certificate, opinion, notice, representation or instrument made or provided by the Owner in order to establish the existence of any fact or statement of affairs solely within the knowledge of the Owner, and which is required to be noticed, represented or certified by the Owner hereunder or in connection with any filings, representations or certifications required to be made by the Owner in connection with the issuance and delivery of the Bonds

(l) The Owner shall provide to the Trustee a certificate certifying (i) within 90 days thereof, the date on which ten percent (10%) of the Units are occupied, and (ii) within 90 days thereof, the date on which fifty percent (50%) of the Units are occupied

Section 3 Modification of Tax Covenants Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be amended, changed, modified, altered or terminated except as permitted in Section 19 and by the Indenture. Anything contained in this Agreement or the Indenture to the contrary notwithstanding, the Issuer, the Trustee and the Owner hereby agree upon the written request of one of the parties hereto, to amend this Agreement and, if appropriate, the Indenture and the Loan Agreement, to the extent required, in the opinion of Bond Counsel, in order for interest on the Bonds, to remain excludable from gross income for Federal income tax purposes. The party requesting such amendment shall notify the other parties to this Agreement in writing of the proposed amendment and send a copy of such requested amendment to Bond Counsel. After review of such proposed amendment, Bond Counsel shall render to the Trustee, the Owner and the Issuer an opinion to the effect that such amendments are necessary and sufficient in order to enable compliance with the provisions of the Code such that the interest on the Bonds will remain excludable from gross income for purposes of Federal income taxation. The Owner shall pay all necessary fees and expenses incurred with respect to such amendment, including necessary attorney's fees and expenses incurred by Bond Counsel in rendering such opinion. The Owner, the Issuer and, where applicable, the Trustee pursuant to written instructions from the Issuer, shall execute, deliver and, if applicable, the Owner shall file of record, any and all documents and instruments, including without limitation, an amendment to this Regulatory Agreement, necessary to effectuate the intent of this Section, and the Owner and the Issuer hereby appoint the Trustee as their true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Owner or the Issuer, as is applicable, any such document or instrument (in such form as may be approved by and upon instruction of Bond Counsel) if either the Owner or the Issuer defaults in the performance of its obligation under this Section, provided, however, that the Trustee shall take no action under this Section without first notifying the Owner or the Issuer, as is applicable, in writing of its intention to take such action and providing the Owner or the Issuer, as is applicable, ten (10) business days after such notice to comply with the requirements of this Section.

Section 4 Residential Development The Issuer and the Owner hereby recognize and declare their understanding and intent that the Project is to be owned, managed and operated as a "residential development," as such term is defined in Section 394.003(13) of the Act, and in compliance with applicable restrictions and limitations as provided in the Act and the rules of the Issuer, until the expiration of the Qualified Project Period or for as long as any portion of the Bonds remains outstanding and unpaid, whichever is longer.

(a) The Issuer and the Owner hereby recognize and declare their understanding and intent that the Project is to be owned, managed and operated as a "residential development" as such term is defined in Section 394.003(13) of the Act, for as long as any portion of the Bonds remains outstanding and unpaid. To that end, the Owner hereby represents, as of the date hereof,

and covenants and agrees for the term of this Regulatory Agreement that substantially all (at least 90%) of the Project dwelling units shall be rented to Eligible Tenants and that the Owner shall not rent or lease any unit in the Project to a person not an Eligible Tenant if such rental would cause less than 90% of the dwelling units in the Project to be rented to Eligible Tenants

(b) The Owner hereby represents, covenants and agrees as follows

(i) To assure that twenty percent (20%) of the occupied Units in the Project are occupied at all times by Low Income Tenants at Affordable Rents,

(ii) To obtain a Tenant Income Certification from each tenant in the Project not later than the date of such tenant's initial occupancy of a Unit in the Project and to maintain a file of all such Tenant Income Certifications, together with all supporting documentation, for a period of not less than three years following the end of the Qualified Project Period,

(iii) To obtain from each tenant in the Project, at the time of execution of the lease pertaining to the Unit occupied by such tenant, a written certification, acknowledgment and acceptance that (A) such lease is subordinate to the Mortgage and this Regulatory Agreement, (B) all statements made in the Tenant Income Certification submitted by such tenant are accurate, (C) the family income and eligibility requirements of this Agreement and the Loan Agreement are substantial and material obligations of tenancy in the Project, (D) such tenant will comply promptly with all requests for information with respect to such requirements from the Owner, the Trustee and the Issuer, and (E) failure to provide accurate information in the Tenant Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such tenant in the Project,

(iv) To cause to be prepared and submitted to the Issuer and the Trustee on the first day of the Qualified Project Period, and thereafter by the tenth calendar day of each March, June, September, and December, or a quarterly schedule as determined by the Issuer, a certified Compliance Monitoring Report and Occupancy Summary in a form attached hereto as Exhibit D or at the reasonable request of the Issuer in such other form provided by the Issuer from time to time,

(v) To the extent legally permissible to permit any duly authorized representative of the Issuer or the Trustee (without any obligation to do so) to inspect the books and records of the Owner pertaining to the Project or the incomes of Project tenants, including but not limited to tenant files, during regular business hours and to make copies therefrom if so desired and file such reports as are necessary to meet the Issuer's requirements, and

(vi) The Owner will obtain a Tenant Income Certification from each tenant at least annually after the tenant's initial occupancy or as otherwise directed by the Issuer in writing

Section 5 [Reserved]

Section 6 Consideration The Issuer has issued the Bonds to provide funds to make the Loan to finance the Project, all for the purpose, among others, of inducing the Owner to acquire, construct, equip and operate the Project. In consideration of the issuance of the Bonds by the Issuer, the Owner has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 7 Reliance The Issuer, the Trustee and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Bonds, and in the excludability from gross income for purposes of Federal income taxation of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer and the Trustee may rely upon statements and certificates of the Low-Income Tenants and the Owner and upon audits of the books and records of the Owner pertaining to the Project. In addition, the Issuer, the Trustee and the Owner shall, with the assistance of the opinion of their counsel, shall be fully and complete authorization and protection in respect of any action taken or suffered by the Issuer, the Owner or the Trustee hereunder in good faith and in conformity with such opinion. In determining whether any default by the Owner exists under this Regulatory Agreement, the Trustee shall not be required to conduct any investigation into or review of the operations or records of the Owner and may rely on any written report, notice or certificate delivered to the Trustee by any Person retained to review the Owner's compliance with this Regulatory Agreement or by the Owner or the Issuer with respect to the occurrence or absence of a default unless it has actual knowledge that the report, notice or certificate is erroneous or misleading.

Section 8 Project in Austin, Texas The Owner hereby represents that the Project is located entirely within Austin, Texas.

Section 9 Sale or Transfer of the Project The Owner covenants and agrees not to sell, transfer or otherwise dispose of the Project prior to the expiration of the Qualified Project Period or the date on which the Bonds have been paid in full, whichever is later, without (i) complying with any applicable provisions of the Loan Documents and (ii) obtaining the prior written consent of the Issuer. Such consent of the Issuer shall not be unreasonably withheld or delayed and shall be given if all conditions to the sale set forth in this Regulatory Agreement are met or are waived in writing by the Issuer, including (1) there is delivered to the Trustee and the Issuer a written Opinion of Counsel satisfactory to the Trustee and the Issuer, addressed to the Trustee and the Issuer, concluding that the transferee has duly assumed all of the rights and obligations of the Owner under the Loan Documents and this Regulatory Agreement and that each of the documents executed by the transferee in connection therewith has been duly authorized, executed and delivered by the transferee and is a valid and enforceable obligation of the transferee, subject to customary qualifications, (2) the Issuer receives a favorable opinion of Bond Counsel, which opinion shall be furnished at the expense of the Owner or the transferee, regarding such sale, transfer or disposition, (3) the proposed purchaser or assignee executes any document reasonably requested by the Issuer with respect to assuming the obligations of the Owner under this Agreement and the Loan Agreement, and (4) the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with, or may be unwilling to comply with, the terms of all agreements and instruments binding on such proposed purchaser or assignee relating to the Project, including but not limited to the Loan Agreement, the Mortgage and this Agreement. The Owner hereby expressly stipulates and agrees that any sale, transfer or other disposition of the Project in violation of this subsection shall be ineffective to relieve the Owner of its obligations under this Agreement. Upon any sale, transfer or other disposition of the Project in compliance with this Agreement, the Owner so selling, transferring or otherwise disposing of the Project shall have no further liability for obligations under the Loan Agreement arising after the date of such disposition. The foregoing notwithstanding, the duties and obligations of the Owner as set forth in the Loan Documents with respect to matters arising prior to the date of such sale, transfer or other disposition

shall not terminate upon the sale, transfer or other disposition of the Project. The foregoing restrictions on transfer shall not apply to foreclosures, deeds in lieu of foreclosure, transfer by exercise of the power of sale or other similar transfer. Any such sale or transfer shall be subject to the Issuer's Multifamily Rules.

Section 10 Term. This Regulatory Agreement and all and each of the provisions hereof shall become effective upon its execution and delivery, shall remain in full force and effect for the periods provided herein and, except as otherwise provided in this Section, shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Bonds, discharge of the Loan, termination of the Loan Agreement and defeasance or termination of the Indenture.

The terms of this Regulatory Agreement to the contrary notwithstanding, this Regulatory Agreement shall terminate, without the requirement of any consent by the Issuer and the Trustee, and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Closing Date which prevents the Issuer or the Trustee from enforcing the provisions hereof, or foreclosure or transfer of title by deed in lieu of foreclosure or exercise of the power of sale, condemnation or a similar event, but only if, within a reasonable period thereafter, either the Bonds are retired in full or amounts received as a consequence of such event are used to provide a qualified residential rental project which meets the requirements of the Code set forth in Sections 1A through 4 of this Regulatory Agreement and the Act. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or exercise of power of sale or similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for tax purposes. The Issuer shall not be required to consent to termination of this Regulatory Agreement for any reason other than those specified above.

Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof, provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Agreement in accordance with its terms. All costs, including fees and expenses of the Issuer and the Trustee, incurred in connection with the termination of this Regulatory Agreement shall be paid by the Owner and its successors in interest.

Section 11 Covenants To Run With the Land. The Owner hereby subjects the Project (including the Project Site) to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer, the Trustee and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project, provided, however, that upon the termination of this Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

No breach of any of the provisions of this Regulatory Agreement shall impair, defeat or render invalid the lien of any mortgage, deed of trust or like encumbrance made in good faith and for value encumbering the Project or any portion thereof

Section 12 Burden and Benefit The Issuer, the Trustee and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Project is rendered less valuable thereby The Issuer, the Trustee and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low-Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued

Section 13 Uniformity, Common Plan The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use, development and improvement of the Project Site

Section 14 Default, Enforcement If the Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after written notice thereof shall have been given by the Issuer or the Trustee to the Owner in accordance with the Indenture, then the Trustee, acting on its own behalf or on behalf of the Issuer, provided a responsible officer of the Trustee actually knows of such default, shall declare an "Event of Default" to have occurred hereunder, provided, further, however, that, if the default stated in the notice is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Owner institutes corrective action within said 60 days and diligently pursues such action until the default is corrected and (ii) in the opinion of Bond Counsel, the failure to cure said default within 60 days will not adversely affect the tax-exempt status of interest on the Bonds The Issuer and the Trustee agree that a cure of any Event of Default made or tendered by any partner or member of Owner shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if tendered by Owner

Following the declaration of an Event of Default hereunder, the Trustee, subject to being indemnified to its satisfaction with respect to the costs and expenses of any proceeding, or the Issuer may, at its option, take any one or more of the following steps

- (i) by mandamus or other suit, action or proceeding for specific performance, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder,
- (ii) have access to and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project, and
- (iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder

The Owner hereby agrees that specific enforcement of the Owner's agreements contained herein is the only means by which the Issuer and the Trustee may obtain the benefits of such agreements made by the Owner herein, and the Owner therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Owner hereunder

All rights and remedies herein given or granted to the Issuer and the Trustee are cumulative, nonexclusive and in addition to any and all rights and remedies that the Issuer and the Trustee may have or may be given by reason of any law, statute, ordinance, document or otherwise. Notwithstanding the availability of the remedy of specific performance provided for in this Section, promptly upon determining that a violation of this Regulatory Agreement has occurred, the Issuer shall to the extent that it has actual knowledge thereof, give written notice to the Trustee that a violation of this Regulatory Agreement has occurred.

Section 15 The Trustee The Trustee shall act as specifically provided herein and in the Indenture. Subject to the right of the Trustee to be indemnified as provided in the Indenture, the Trustee shall act as the agent of and on behalf of the Issuer when requested in writing by the Issuer to do so, and any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the Trustee. The Trustee is entering into this Regulatory Agreement solely in its capacity as Trustee under the Indenture, and the duties, powers, rights and obligations of the Trustee in acting hereunder shall be subject to the provisions of the Indenture, including, without limitation, the provisions of Article VII thereof, which are incorporated by reference herein. The incorporated provisions of the Indenture are intended to survive the retirement of the Bonds, discharge of the Loan, termination of the Loan Agreement and defeasance or termination of the Indenture.

Neither the Trustee nor any of its officers, directors or employees shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith except for its or their own gross negligence, bad faith, fraud or willful misconduct. No provision of this Regulatory Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that the payment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Trustee shall examine all documents prepared by the Borrower and furnished to the Trustee to determine whether such documents conform on their face to the requirements of this Regulatory Agreement. The Trustee shall notify the Issuer and Borrower in writing if the Trustee does not receive any document from the Borrower at the time required under this Regulatory Agreement or if such document does not conform on its face to the requirements of this Regulatory Agreement. The Trustee may conclusively rely on and shall be protected in acting or omitting to act in good faith upon the certificates and other writings, which conform to the requirements of this Regulatory Agreement, as the Trustee may receive in connection with the administration of its obligation hereunder and has no duty or obligation to make an independent investigation with respect thereto.

Section 16 Recording and Filing The Owner shall cause this Regulatory Agreement, and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of Austin, Texas and in such other places as the Issuer or the Trustee may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording. This Agreement is subject to and subordinate to all matters of record as of the date hereof.

Section 17 Reimbursement of Expenses Notwithstanding any prepayment of the Loan and notwithstanding a discharge of the Indenture, throughout the term of this Regulatory Agreement, the Owner shall continue to pay to the Issuer and the Trustee reimbursement for all fees and expenses actually incurred thereby required to be paid to the Issuer and the Trustee by the Owner pursuant to the Loan Agreement.

Section 18 Governing Law This Regulatory Agreement shall be governed by the laws of the State (other than in respect of conflicts of laws) The Trustee's rights, duties, powers and obligations hereunder are governed in their entirety by the terms and provisions of this Agreement and the Indenture

Section 19 Amendments Subject to the provisions of Section 3 hereof, this Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto, or their successors in title and duly recorded in the real property records of Travis County, and only upon receipt by the Issuer, the Owner and the Trustee of a Favorable Opinion of Bond Counsel regarding such amendment

Section 20 Notices Any notice required to be given hereunder to the Issuer, the Trustee or the Owner shall be given in the manner and to the address as set forth in the Indenture

Section 21 Severability If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby

Section 22 Multiple Counterparts This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original

Section 23 Authorization to Act for Issuer To the extent allowed by law, the Issuer hereby authorizes the Owner to take on behalf of the Issuer all actions required or permitted to be taken by it hereunder, or under the Indenture and the Loan Agreement and to make on behalf of the Issuer all elections and determinations required or permitted to be made by the Issuer hereunder or under the Indenture and the Loan Agreement In addition, the Issuer hereby authorizes the Owner to exercise, on behalf of the Issuer, any election with respect to the Bonds pursuant to the Code or the Regulations, and the Issuer will cooperate with the Owner and execute any form of statement required by the Code or the Regulations to perfect any such election

Section 24 Liability of Owner The liability of the Owner under this Regulatory Agreement is limited to the extent provided in the Loan Agreement

Section 25 Third-Party Beneficiary The parties to this Agreement confirm that the Bondholder Representative is a third-party beneficiary to the rights and benefits of this Agreement

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Issuer, the Trustee and the Owner have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written

AUSTIN HOUSING FINANCE CORPORATION

By _____
Name Will Wynn
Title President

Attest

By _____
Name Shirley Gentry
Title Secretary

AMERICAN NATIONAL BANK,
as Trustee

By _____
Name
Title

**SAN ANTONIO ALTERNATIVE HOUSING
CORPORATION NO 15**

By _____
Name _____
Title _____

ACKNOWLEDGMENT

STATE OF TEXAS

202

COUNTY OF TRAVIS

2

202

This instrument was acknowledged before me on _____, 2007, by the President of Austin Housing Finance Corporation

IN WITNESS WHEREOF, I have hereunto set my hand and official seal

Notary Public Signature

(Personalized Seal)

ACKNOWLEDGMENT

STATE OF TEXAS

§

COUNTY OF DALLAS

§

§

This instrument was acknowledged before me on _____, 2007, by _____, authorized signatory of American National Bank

IN WITNESS WHEREOF, I have hereunto set my hand and official seal

Notary Public Signature

(Personalized Seal)

ACKNOWLEDGMENT

STATE OF TEXAS

§

COUNTY OF BEXAR

§

§

This instrument was acknowledged before me on _____, 2007, by Rod Radle, Executive Director of San Antonio Alternative Housing Corporation No 15

IN WITNESS WHEREOF, I have hereunto set my hand and official seal

Notary Public Signature

(Personalized Seal)

EXHIBIT A

Apartment Project at 9601 Middle Fiskville Road, Austin, Texas

EXHIBIT B
PROJECT AND OWNER

Owner	San Antonio Alternative Housing Corporation No 15
Project	Meadowood Apartments
Units	200

EXHIBIT C

TENANT INCOME CERTIFICATION

Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Meadowood Apartments Project)
Series 2007A

VERIFICATION OF INCOME

RE

Apartment Number _____ Building Number _____ Square footage _____

Number of Bedrooms _____ Initial Monthly Rent \$ _____

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully and truthfully each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed below

1 Name of Members of the Household	2 Relationship to Head of Household	3 Age	4 Social Security Number	5 Place of Employment
	Head			
	Spouse			

6 The anticipated income of all the above persons during the 12-month period beginning on the later of the date on which (a) the above persons first occupy the apartment or sign a lease with respect to the apartment or (b) such annual period commencing on the anniversary date of such date of first occupancy or the signing of a lease, including income described in (a) below, but excluding all income described in (b) below, is \$ _____

(a) The amount set forth above includes all of the following income (unless such income is described in (b) below)

(i) all wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services, before payroll deductions,

(ii) net annual income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization or capital indebtedness) (An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations Include any withdrawal of cash or assets from the operation of a business or profession, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the above persons),

(iii) interest and dividends (include all income from assets as set forth in item 7(b) below and include any withdrawal of cash or assets from an investment, except to the extent the withdrawal is reimbursement of cash or assets invested by the above persons),

(iv) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment,

(v) payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay,

(vi) any welfare assistance if the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, include as income (a) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus (b) the maximum amount that the welfare assistance agency could in fact allow the above persons for shelter and utilities (If the welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under clause (b) shall be the amount resulting from one application of the percentage),

(vii) periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling,

(viii) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household, spouse or other household member whose dependents are residing in the unit, and

(ix) any earned income tax credit to the extent it exceeds income tax liability

(b) The following income is excluded from the amount set forth above

(i) Income from employment of children (including foster children) under the age of 18 years,

(ii) Payment received for the care of foster children,

(iii) Lump-sum additions to household assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses,

(iv) Amounts received by the household that are specifically for, or in reimbursement of, the cost of medical expenses for any household member,

(v) Income of a live-in aide,

(vi) Amounts of education scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran, for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of the student. Any amount of such scholarship or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income,

(vii) The special pay to a household member serving in the Armed Forces who is exposed to hostile fire,

(viii) (a) Amounts received under training programs funded by Housing and Urban Development ("HUD"),

(b) Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency ("PASS"),

(c) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program,

(ix) Temporary, nonrecurring or sporadic income (including gifts), or

(x) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937

7 If any of the persons described in column 1 above (or any person whose income or contributions were included in item 6) has any savings, stocks, bonds, equity in real property or other form of capital investment (excluding interests in Indian trust lands, but including the value of any assets disposed of for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the previous two years), provide

(a) the total value of all such assets owned by all such persons

\$ _____, and

(b) the amount of income expected to be derived from such assets in the 12-month period commencing this date \$ _____

8 (a) Will all of the persons listed in column 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes ____

No

(b) (Complete only if the answer to Question 8(a) is "Yes ") Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?

Yes ____

No

We acknowledge that all of the above information is relevant to the status under federal income tax law of the interest on bonds issued to finance construction of the apartment building for which application is being made. We consent to the disclosure of such information to the issuer of such bonds, the holders of such bonds, any trustee acting on their behalf and any authorized agent of the Treasury Department or Internal Revenue Service.

Date _____

Head of Household

Spouse

STATE OF TEXAS §
 §
COUNTY OF _____ §

Subscribed, sworn to and acknowledged before me this _____ day of _____,
2007

Notary Public of the State of Texas
(Notary Seal)

NOTE TO PROJECT OWNER A vacant unit previously occupied by individuals or a family of very low income may be treated as occupied by individuals or a family of very low income until reoccupied (other than for a period of 31 consecutive days or less), at which time the character of the unit shall be redetermined

FOR COMPLETION BY PROJECT OWNER ONLY

I Calculation of eligible income

- (A) Enter amount entered for entire household in 6 above \$ _____
- (B) If the amount entered in 7(a) above is greater than \$5,000, enter
- (i) the product of the amount entered in 7(a) above multiplied by the current passbook savings rate as determined by HUD \$ _____
- (ii) the amount entered in 7(b) above \$ _____
- (iii) line (i) minus line (ii) (if less than \$0, enter \$0) \$ _____
- (C) **TOTAL ELIGIBLE INCOME**
(line I(A) plus line I(B)(iii)) \$ _____

II Qualification as individuals or a family of low income

- (A) Is the amount entered in line 1(c) less than 50% of Median Income for the Area¹ with adjustments for smaller and larger families?
- Yes ____ No ____
- (B) (i) If line II(A) is "No," then the household does not qualify as individuals or a family of low income, skip to item III

1 "Median income for the Area" means the area median gross income as determined by the Secretary of the Treasury in a manner consistent with determinations of lower-income families and area median gross income under Section 8 of the United States Housing Act of 1937, including adjustments for family size or, if programs under Section 8 are terminated, area median gross income determined under the method in effect immediately before such termination

(ii) If line II(A) above is "Yes" and 8(a) above is "No," then the household qualifies as individuals or a family of low income, skip to item III

(iii) If line II(A) above is "Yes" and 8(b) above is "Yes," then the household qualifies as individuals or a family of low income, skip to item III,

(iv) If neither (ii) nor (iii) is applicable, then the household does not qualify as individuals or a family of low income

III (Check one)

The household does not qualify as individuals or a family of low income

The household qualifies as individuals or a family of low income

IV Number of apartment unit assigned
(enter here and on page 1)

V Method used to verify applicant's income

____ Employer income verification

____ Copies of tax returns

____ Other (_____)

Date _____

SAN ANTONIO ALTERNATIVE HOUSING
CORPORATION NO 15

By _____
Name _____
Title _____

EXHIBIT D

COMPLIANCE MONITORING REPORT

TO Austin Housing Finance Corporation
 1000 East Eleventh Street Suite 200
 Austin, Texas 78702
 Attention Bond Finance Manager

Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Meadowood Apartments Project)
Series 2007A

_____ (the "Owner"), hereby represents and warrants that

- 1 A review of the activities of the Owner during the period of _____ through _____ and of then Owner's performance under the Loan Agreement has been made under the supervision of the undersigned
- 2 The Owner owns Meadowood Apartments (the "Project")
- 3 The Project was financed, in substantial part, as a result of the indirect loan of the proceeds of the Bonds
- 4 The undersigned and the Owner have read and are thoroughly familiar with the provisions of (1) the Regulatory Agreement and Land Use Restriction Agreement (the "Regulatory Agreement"), dated as of May 1, 2007, among the Owner, Austin Housing Finance Corporation (the "Issuer") and American National Bank, as Trustee (the "Trustee"), and (2) the Loan Agreement, dated as of May 1, 2007, among the Owner, the Trustee and the Issuer (the "Loan Agreement") The Regulatory Agreement was executed, delivered, and recorded against the Project in connection with the issuance of the Bonds Hereinafter, unless otherwise expressly provided herein or unless the context requires otherwise, the capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Regulatory Agreement
- 5 The Project's Qualified Project Period with respect to the project, the period beginning on the closing date and ending on the later of (i) the date which is 20 years after the closing date, or (ii) the first date on which no tax-exempt bond issued with respect to the Project is outstanding
- 6 Commencing on the Closing Date and continuing throughout the remainder of the Qualified Project Period no less than 20% of the total number of completed units of the Project shall at all times be rented to and occupied by Low Income Tenants at Affordable Rents
- 7 As of the date of this Certificate, the following percentages of completed residential units in the Project (i) are occupied by Low Income Tenants or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date a Low Income Tenant vacated such unit, as indicated

Occupied by Low Income Tenants _____ percent

Held vacant for occupancy
continuously since last
occupied by Low Income
Tenant _____ percent

- 8 At no time since the date of filing of the last Continuing Program Compliance Certificate has less than 20% of the units in the Project been occupied by or, if vacant, been last occupied by Low Income Tenants at Affordable Rents
- 9 To the best knowledge of the undersigned, after due inquiry, all Units were rented or available for rental on a continuous basis during the immediately preceding year to members of the general public, and the Owner is not now and has not been in default under the terms of the above-referenced Regulatory Agreement and, to the best knowledge of the undersigned, no Determination of Taxability has occurred with respect to the Bonds
- 10 (If the Owner is in default under the terms of the Regulatory Agreement or the Owner has actual knowledge of a Determination of Taxability with respect to the Bonds, such knowledge should be detailed here)
- 11 The Owner has not transferred any interest in the Project since the date of submission of the Continuing Program Compliance Certificate last submitted to the Trustee and the Issuer with respect to the Project (If the Owner has transferred any interest in the Project, such transfer should be detailed here)

Attached is a separate sheet (the "Occupancy Summary") listing, among other items, the percentage of units which are occupied by Low Income Tenants and which became Low Income Units since the filing of the last Continuing Program Compliance Certificate. The information contained thereon is, to the best knowledge of the Owner (based upon information supplied by tenants of the Project), true and accurate.

SAN ANTONIO ALTERNATIVE HOUSING
CORPORATION NO 15

By _____
Name _____
Title _____

OCCUPANCY SUMMARY
AS OF _____

Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Meadowood Apartments Project)
Series 2007A

PROJECT NAME **MEADOWOOD APARTMENTS**
PROJECT LOCATION 9601 Middle Fiskville Road, Austin, Texas

ID # _____ **Page** **of**

TOTAL NO UNITS 200 **REQ'D NO LOW INCOME UNITS**

TOTAL UNITS OCCUPIED
TOTAL LOW INCOME OCCUPIED
(PERCENTAGE %)

PREPARED AND SUBMITTED BY

Phone _____

Date _____

Number of Low Income Tenants commencing occupancy this month/quarter

**Number of Low Income Tenants whose Adjusted Income exceeded 140% of the applicable income limit
for a Low Income Tenant of the same family size this month/quarter**

Number of Low Income Tenants terminating occupancy this month/quarter

For Period _____ **through** _____